

THE INDEPENDENT

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INSIDE TODAY

THE EYE

Rupert Everett back on London stage – in drag



17/FASHION



Autumn weaves turn to gold

TODAY'S NEWS

Soya could replace the pollution of plastic

Once upon a time, soya beans were going to feed the world – and, indeed, they are now used as ingredients in many supermarket foods. But now soya oil could save the world again, by replacing plastics made from fossil fuels to build cars and even bridges. A team of scientists at a US university have just patented a technique which uses soya bean oils, instead of petroleum, to make cheap, light and “renewable” composite materials. The new materials are already being used to build tractor parts, and their chief inventor said yesterday that they could easily replace metal parts in cars, such as body panels, without sacrificing strength. Page 7

Hitler's eyrie becomes research centre

The remains of Adolf Hitler's alpine retreat, the Berghof, on the slopes of the Obersalzberg above Berchtesgaden, where Mussolini and Chamberlain were guests and where Hitler planned his invasion of the Soviet Union, is to be converted into a historical document centre in order to prevent the site from turning into a neo-Nazi haunt. Page 12

China freedom demos

When Jiang Zemin, the Chinese leader, arrives at the White House for the formal part of this week's summit today, he will be greeted by several thousand demonstrators, many of them Chinese exiles, and a copy of the Goddess of Democracy – the home-made Statue of Liberty built by student protesters – that was smashed by Chinese tanks in Tiananmen Square eight years ago. Page 11

SEEN & HEARD

Hedgehogs are no different from the rest of us when it comes to wanting a warm bed for the night but it seems that some of them are taking things too far. Birmingham council has drafted in a team of high-tech x-ray operators to seek out hedgehogs who try to hibernate in bonfires before they are lit next Wednesday. John Needle, the head of the city's Nature Reserve, said they like to snuggle down for the winter in piles of leaves and twigs and with 5 November fast approaching they risk meeting a fiery end. Setting fire to Guy Fawkes is OK, but roasting hedgehogs is a bit cruel.

Child's work, yes, but better than the Turner shortlist



Youth culture: *Island People*, by 12-year-old Tommy Heap, part of the 'Young Visions' art exhibition which opens on 7 November at Islington arts factory, north London, featuring work by children aged 8 to 16 *Turner controversy*, page 14

Markets flip back again

After another turbulent day in world stock markets which saw the Dow Jones in the US stage a remarkable recovery, Jeremy Warner reflects on whether we are seeing a short term correction to overvalued share prices or a more significant fall.

The question on everyone's lips in the City was the same; is this just a mild repeat of 1987 with shares falling before bouncing back to even greater heights, or is it more serious, with the present turmoil marking the return of the bear after the great bull market of the 1980s and 1990s?

As opinion shifted one way and the other, investors were subjected to a roller coaster ride. New York's slide on Monday night was translated into falls of up to 20 per cent in emerging markets across the world and some big – though less spectacular – slides in Western European stock markets.

But as the day wore on, confidence grew. When the Dow opened, it quickly recaptured some of its lost ground with many market analysts making a distinction between the shaky economies of the Pacific

Rim and the underlying strengths of the US and European economies.

Against the backdrop of a boom in the US and the UK, and with the rest of Europe moving swiftly out of recession, few investors are prepared to believe that stock markets there should be experiencing any more than a small correction.

Unfortunately stock markets have never been an exact mirror image of the real economy. Equally unfortunately, they can exert a marked influence over it. As one leading London based market operator said yesterday, “there's no particular reason for markets to have a big fall right now but if they do and panic sets in, then there could be a slump in consumer and investment confidence and that might drive the US economy into recession”.

When stock markets are at their extremes, greed and fear become the overriding instincts. During the upswing, greed reigns supreme. Tempted by apparently fabulous returns, investors flock to the market, driving it to unsustainable heights. A speculative bubble builds up, fed by ever more unrealistic expectations of growth in the economy and corporate earnings.

Most observers agree that Wall Street had become “overvalued”, to use the jar-

gon, but they differ on the extent of the correction needed to return to normality.

The downswing, when fear begins to grip the market and the bubble bursts, can be equally exaggerated the other way with panic selling driving stock prices to unjustified lows. The effect on the real economy, particularly in the US, where more than 30 per cent of the population directly invests in the stock market, can be profound.

When a stock market crash erodes the savings of these investors, it invariably damages consumer demand by making the difference between buying that extra TV, new washing machine, or latest laptop. That in turn can lead to a slump in investment.

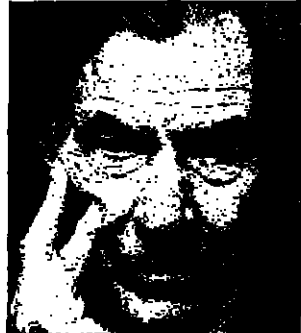
Few believe that this is what is going to happen in the US this time round. “The prospects of a recession look remote”, says Paul Manduca, chief executive of Threadneedle Asset Management. “The big unknown is the degree to which people have been silly and borrowed heavily to finance their stock purchases, or over extended themselves in derivative markets. But at this stage, it looks like just a quick correction”. Everyone hopes he's right.

Further reports, page 4
Business, page 22, 23

What can we learn from it? Patience

John Kenneth Galbraith is the world's best-known economist and something of a liberal patriarch, whose best-known books have analysed capitalism and who produced a groundbreaking study of the 1929 Wall Street Crash. So we asked him what he made of the events of the past few days. Was there anything to be learned?

“One has first to answer the question – what was the nature of this whole insanity? And it is very simple. Stock prices were going up; people got on the wagon to get the benefit and that pushed them up further, and this is a process



which develops its own momentum until the eventual crash – which is predictable, but the timing of which is not predictable.”

He was not, he said, surprised that the fall had started in the Asian markets. It could have started anywhere. Would continued falls have any effect on the real economy, though? Yes, said Professor Galbraith: “The future effect now would be depressive on

the economy. There will be a raft of comments today and in the days ahead, saying the fundamentals are still strong.

“What will not be said is that a quarter of the people will be indirectly or directly involved in the market, so this has a direct effect, on sales of automobiles, hire-purchase, furniture, even fancy entertainments. The economy is not independent of the stock market.”

Was there anything that could have been done to prevent the falls? “It was going to happen anyway; anybody with a sense of history knows that – from the Dutch and the tulip mania of the 1600s, to the South Sea Bubble ... to 1929 and 1987. This is all part of the pattern of history.”

As for the much-trumpeted system of market-breakers to halt selling, which was put in place after the computer-ac-

celerated crash of 1987, he was elegantly dismissive: “A piece of egregious nonsense.”

It was possible, Professor Galbraith added, that the overvalued technology stocks in the US, which took a particular battering over the past few days, were our equivalent of the tulip bulbs that caused that first Dutch crash. People “latch on to some special group of stocks. In the last century, when there was runaway speculation, it was the railroads, before that, in the previous century, it was wonderful opportunities for trade in the South Seas.”

Finally, was there any useful advice he could offer investors as they peer ahead, wondering whether the slide will continue? “None. My only advice is to see this as a natural feature of the system. It has been for 300 years and more.”

Revealed: nanny's hard contract

Louise Woodward's trial reached its final stages yesterday. It has been the trial of someone who went to America a willing and experienced child minder, but with teenage dreams of adventure in the US. However, the reality was different. David Osborne reveals details of her contract, which included curfews, cleaning, cooking and washing.

Just days before 4 February, the day when Matthew Eappen lapsed into a fatal coma, his parents, Sunil and Deborah, presented Louise Woodward, their young nanny from England, with a new contract. It coolly laid down the terms of her continuing employment with them. For Louise, it was take it – or leave.

The document is a startling litany of do's and don'ts. Probably, it fairly reflects the frustrations felt by the Eappens with a nanny who they felt was forever late coming in at night, late starting work and insufficiently attentive of their two children.

Indeed, it was composed by Sunil Eappen after he returned home from work early one day in late January only to find 9-month-old Matthew lying unattended on the dining room floor and his big brother Brendan watching a video while Louise was in the basement doing her personal laundry.

By most measures, however, it is an unusually tough interpretation of what a teenage girl should be ex-

pected to do for a family on her gap-year between school and university. She may have come with a nanny tag, but in fact she should never have been seen as more than a glorified baby-sitter.

Louise was, for example, being paid \$115 a week (about £73), substantially beneath the Massachusetts minimum wage.

“During the times that you are responsible for the children [or child], you are considered to be ‘on duty’,” the one-page contract says, adding later: “This time is to be used entirely for the well-being of the children and not for personal reasons. You will not be on the phone for periods greater than 5 minutes. You will not do your laundry. You will not be using the computer”.

The note goes on: “You should be available one night per week where you will make dinner; we will be able to discuss any concerns of plans for the past or future week”. Louise testified that on these nights she often cooked the Eappens beans on toast.

“Your expected responsibilities include doing the children's laundry, changing the sheets once a week. Keeping their room tidy. Keeping the family room tidy; putting toys away, vacuuming. Emptying the diaper [nappy] pail as needed ... You are also expected to contribute to the general upkeep of the house, e.g. putting dishes away after dinner, helping set table, emptying the dishwasher, etc”.

Louise may not have been the perfect nanny, or even house guest. But nor was she indentured labour.

Trial closes, page 3
Au pairs in US – disaster in the making, page 18

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WEATHER The Eye, page 10
TELEVISION The Eye, page 12
CROSSWORDS Page 32 and the Eye, page 9

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COLUMN ONE

Dying woman wins right to take pain-relief drugs

After years of fighting against motor neurone disease, Annie Lindsell yesterday won comfort for her dying days. Evidence before the High Court gave her and her GP, Dr Simon Holmes, reassurance that his plans to relieve her pain in her final moments are legal. Although it fell short of the formal legal declaration that Ms Lindsell had sought, she stopped her case declaring that it was a victory for patients all over the country.

Speaking at a press conference in a faint but firm voice, Ms Lindsell of Teddington, south west London said: "All the medical evidence before the court supported Simon in his view that the proposed treatment accords with accepted medical practice. I can now carry on with the rest of my life happily knowing that I have nothing to fear."

Ms Lindsell, who was diagnosed five years ago with the disease that affects 4,000 people a year, said she had brought the action because changes in the law towards voluntary euthanasia would come too late for her. The court heard that the former singer may have only weeks to live.

She said that she hoped yesterday's judgment would bring hope to fellow sufferers, although it was too late for some of her friends who had already suffered from a similar fate.

"Dr Holmes was rightly concerned about the lawfulness of giving me this treatment because of the risk of criminal prosecution for murder," she said.

"I hope and believe that the efforts made by me, my doctor and my lawyers in this case bring an end to the unnecessary suffering inflicted upon unwilling patients by doctors fearful of being prosecuted under an uncertain law. It is a big victory for patient autonomy," Sir Stephen said in court that the practice of doctors had been made clear by the House of Lords Select Committee four years ago. The committee had said it was permissible for GPs to relieve pain for terminal patients even if it shortened their lives. This is the so-called "double effect" doctrine where the primary intention is to alleviate the patient's suffering even if the secondary cause is to hasten their death.

Expressing a wish to meet Ms Lindsell, Sir Stephen said she could now receive the diamorphine treatment that everyone hoped that she could have. Dr Holmes, who joined Ms Lindsell at the press conference, said that he was comforted and relieved by the medical evidence which had supported his planned action.

The treatment will start only with Ms Lindsell's consent and on Dr Holmes's clinical judgement when the distress of forced feeding and the fear of choking, a common problem for MND sufferers, becomes too much for her to bear.

— Michael Streeter

PEOPLE



Bowie reaps rich reward from golden years

He may find it difficult to reach the top of the charts these days, but David Bowie (above) has leapt to the top of the British pop wealth charts with a personal fortune of more than half a billion pounds.

Partly as a result of his decision to invest much of his fortune overseas to avoid crippling tax demands, and his ground-breaking decision to float himself on the stock market, Bowie now boasts a £550m fortune. Even more crucially, Bowie is one of the few international pop stars who owns all the rights to his songs. He comes ahead of Sir Paul McCartney, Britain's second richest pop star with a fortune of £520m, and Tom Jones who comes in third with £275m.

The creator of Major Tom and Ziggy Stardust is now among the 25 richest men in Britain, according to *Business Age* magazine's first ever survey of pop wealth — equally as rich as former newspaper tycoon Tiny Rowland, and marginally behind international financier George Soros.

According to the magazine, Bowie began turning stardom into serious money in the early Eighties when he first put on his businessman hat and signed for EMI America. By 1983, when he signed his most successful album deal of £10m for *Let's Dance* with EMI America, his personal fortune was already more than £100m.

His own song publishing companies, Jones Music SA, Bewlay Brothers SA and Tintoretto Music

SA, were set up, and Stenton SA was formed to handle film projects and video distribution deals and Ishtar to promote his world tours. Bowie, together with his supermodel wife, Iman, uprooted all his companies to Switzerland where there is no tax payable on net profits. The success of *Let's Dance* was phenomenal and during his world tour to promote the album, Bowie kept his musicians on a tight leash, paying them £1,000 a week plus expenses.

This year alone, it is estimated that Bowie has made £60m. He received a flat fee of £1.5m for just one concert in Los Angeles in May 1983 where he was seen by 2.5 million fans and, after expenses, is estimated to have pocketed nearly £10 a head — reportedly more than any other performer.

In 1986, Bowie reached another milestone when all the rights from his previous Mercury and RCA albums were reverted back to him. And this year he broke new financial ground in the music industry by raising \$55m (£34m) in a bond issue put together by a United States investment firm and it is understood that capital repayments are secured from Bowie's compositions and recordings up to 1989.

Outside the Spice Girls, only two women feature in the top 50 on the pop wealth charts — Annie Lennox and Kate Bush, who come 34 and 38th respectively. At 20 years old, Spice Girl Emma Bunton is the youngest member in the top 50.

— Jojo Moyes

McAleese looks unbeatable for President



The Belfast-born academic, Mary McAleese (right) looks unbeatable going into tomorrow's Irish Presidential election, according to the latest polls.

The growing margin over her nearest rival, up 4 per cent to 15 per cent in under a week, was revealed as gardai arrested a former political adviser to a junior minister in the last Fine Gael-led coalition government at his west Dublin home.

Detectives are investigating a breach of Ireland's Official Secrets Act in the leak of confidential 1994 Department of Foreign Affairs documents detailing contacts between British and Irish officials.

The poll findings show Mrs McAleese has survived and even gained from the bitter controversy dominating the last fortnight of campaigning sparked by two press leaks of sensitive official briefing papers detailing her role in high-level Northern Ireland political contacts.

The documents prompted accusations that she had Sinn Féin sympathies, which she strongly

rejected. The row was given added fuel by a public endorsement for her from that party's President, Gerry Adams. As some suggested the Irish Civil War was breaking out again, those who sprang to her defence included Unionist MP John Taylor.

The episode in fact reinforced her credentials as a serious political figure by showing hands-on involvement in the peace process. It led to Fianna Fail voters rallying around her, ending rifts caused by her selection ahead of the former Taoiseach, Albert Reynolds.

The latest poll, for the *Irish Independent*, gave Mrs McAleese, a law professor and Channel 4 director, 49 per cent of first preference votes against 32 per cent for her main rival, Mary Banotti, a Fine Gael MEP.

The former singer, Dana Rosemary Scallon, and the Left's candidate, Adi Roche, both have 7 per cent. The sole male candidate, Derek Nally, an outspoken former Association of Garda Sergeants and Inspectors leader, and founder of the Victim Support charity, has five per cent. Ms Banotti should secure Nally and Roche second-preference votes, but these alone will not enable her to overtake Mrs McAleese.

Mr Nally faded after falling out with advisers who wanted a trenchant assault on Mrs McAleese (claiming she had been "colonised by Gerry Adams") and on diplomacy some see as appeasing Sinn Féin.

Adi Roche's support suffered a met-down after hitting a peak of 38 per cent last month. A national heroine for aiding child victims of Chernobyl, she never recovered from attacks on her allegedly "Stalinist" management style by ex-colleagues.

The media portrayed her as a glib lightweight, comparing her with PG Wodehouse's daffy Madeleine Bassett.

The tone of press coverage sparked a vitriolic spat between Labour's policy director, Fergus Finlay, and *Irish Times* editor, Conor Brady.

— Alan Murdoch

UPDATE

CARE IN THE COMMUNITY

Public supports schizophrenics

The public supports caring for people with schizophrenia in the community, although they still largely associated the illness with violence and aggression. A MORI poll of 1,800 people also revealed a high level of optimism about how well schizophrenia can be managed.

More people are aware of schizophrenia than they were seven years ago and in the poll it was the most frequently mentioned mental illness, spontaneously cited by 50 per cent of adults, compared with 18 per cent in 1990. More than seven out of ten believed that with appropriate medicine and careful support people with schizophrenia can live successfully in the community. The most important ways health and social services can help is by providing medication, supportive local counselling and information to carers. Only 12 per cent felt that people with the disease should be kept in mental institutions.

Julian Leff, Professor of Social Psychiatry at the Institute of Psychiatry, said this was a "most encouraging finding". However 14 per cent spontaneously listed violent and aggressive behaviour as a characteristic of schizophrenia. The figure rose to 46 per cent when people were prompted to give an answer.

— Glenda Cooper

CONSUMER AFFAIRS

Overdosing on the Spice Girls

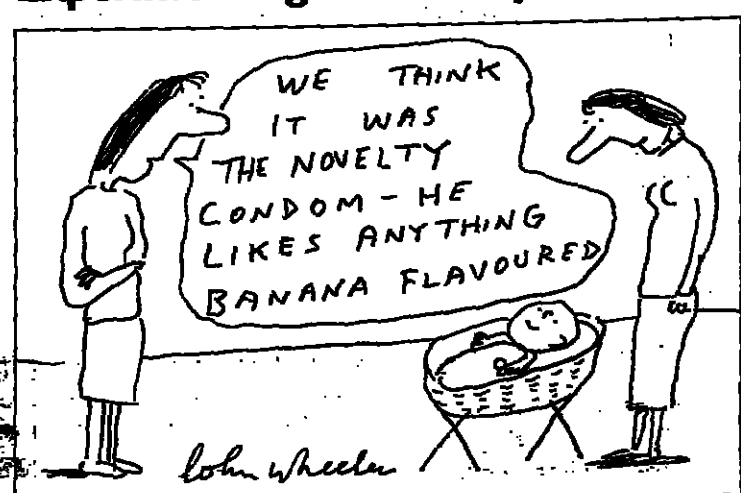
It probably will not worry the Spice Girls, or their bank managers, but the public has had enough of them putting their name to everything from Pepsi Cola to Asda. Two thirds of the country believes they have sold their names to too many products for their very expensive endorsement deals to have any effect.

According to a CIA MediaLab survey, 84 per cent of the public say their purchasing decisions are unaffected by a celebrity endorsement. However, the survey only asked adults and most of the products endorsed by the Spice Girls — like Chupa Chups lollipops and Walkers Crisps — are aimed at the under-tens. The results have emerged a day before the five-piece band is due to launch the Royal British Legion's annual poppy day appeal.

— Paul McCann

PUBLIC HEALTH

Experimenting can harm your health



Novelty condoms do not provide adequate protection against sexually transmitted diseases and are not recommended for use as a contraceptive, the Government has warned. The Public Health Minister, Tessa Jowell, said in a Commons written reply that her department advised people to use only condoms which carried the British Standards Institute Kitemark or the European CE mark. Novelty condoms were not classed as medical devices under the Medical Devices Regulations and the Government could not use these rules to restrict their availability, she said.

However, the minister declared: "Any confusion and risk to health caused by novelty condoms being mistaken for genuine condoms would come within the scope of the General Product Safety Regulations, which are enforced by local authority trading standards officers." She added: "We have not received any representations from the medical profession or Aids charities to discuss novelty condoms, but we would be happy to consider such a request if approached."

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TOURIST RATES

Australia (dollars)	2.32	Italy (lira)	2,772
Austria (schillings)	19.76	Japan (yen)	200.05
Belgium (francs)	58.09	Malta (lira)	0.62
Canada (\$)	2.29	Netherlands (guilders)	3.16
Cyprus (pounds)	0.82	Norway (kroner)	11.42
Denmark (kroner)	10.78	Portugal (escudos)	284.87
France (francs)	9.42	Spain (pesetas)	236.87
Germany (marks)	2.82	Sweden (kroner)	12.25
Greece (drachme)	447.07	Switzerland (francs)	2.32
Hong Kong (\$)	12.53	Turkey (lira)	292.395
Ireland (pounds)	1.07	USA (\$)	1.63

Source: Thomas Cook

Rates for indication purposes only

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ZITS



by Chris Priestley

by Jerry Scott & Jim Borgman

Johnny Cash has Parkinson's disease

The country and western singer, Johnny Cash, has Parkinson's disease, his publicist said on Monday. Cash, 65, has cancelled a national book-signing tour and postponed upcoming concerts because of his worsening medical condition, the publicist, Heidi Ellen Robinson, said in a statement. Ms Robinson quoted Cash's manager, Lou Robin, as saying, "Johnny feels confident that once the Parkinson's is medically stabilised, he can resume his normal work schedule."

Known as country music's "Man in Black", Cash has recorded 1,500 songs and appeared on 500 albums. He has won eight Grammys, the latest — for best contemporary folk album — for a 1994 release, *American Recordings*.

Cash was touring to promote his book *Cash: The Autobiography* and was to have given concerts keyed to his latest compact disc, *Unchained*, Ms Robinson said. In the early Fifties, Cash began singing country music, and in 1955, while working as an appliance salesman in Memphis, Tennessee, he auditioned for the legendary Sun Records label. The result was his first hit, "Hey Porter," which was quickly followed by "Folsom Prison Blues." "I Walk the Line" and other hits marked by his distinctive voice and no-frills arrangements. After winning practically every country music award, he was inducted into the Rock and Roll Hall of Fame in 1992.

Parkinson's disease is a degenerative brain disorder that causes muscle tremor, stiffness and weakness. Its cause is unknown and there is no cure, but drugs can relieve its symptoms.

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For visitors this is its attraction but for decades its population has drifted south for work and the trappings of urban life. So concerned has a group of councillors become that they have proposed building an entirely new town, of up to 40,000 people, to act as a counterweight to Inverness, burgeoning capital of the

There are only 16,000 people in the whole of Sutherland but councillors say people and industries such as telebanking and call centres would be attracted by the natural environment and facilities - shops, conference centre, hotels, golf courses, marina and theatre.



Remote control: Sutherland, the British mainland's most far-flung county and the most sparsely populated area in the European Union, which is attempting to stop the drift of its population south in search of work and the trappings of urban life Photograph: Glyn Satterley/Colorific

IN THE EYE



Mark Jones: big noise behind the Wall of Sound



Gobsmacked by the Gogmagogs



Una Stubbs: a most unexpected Lady Bracknell

Do not expect this to be like the movies, Judge Hiller Zobel cautioned members of the jury in the Louise Woodward case as they heard closing arguments. But as *David Osborne* witnessed, lawyers delivered a closing act more thrilling, more emotionally draining, than anything produced by Hollywood.

With earnestness that occasionally edged into Vaudeville melodrama, both the defence and the prosecution teams yesterday made their last, frantic, pitches to the jury in the Louise Woodward murder trial.

"Send her home," said the

The crux of the defence is that the boy suffered an earlier head injury that only manifested itself and suddenly became critical on that day. The prosecution, however, contends that the injury, which led to catastrophic neurological distress and death five days later, had to be the work of Louise.



On trial: Louise Woodward

"He is fussy and cranky. Why? Because she has been a little rough with him. She brings Marty to the bathroom. Boom, she drops him to the floor. Do

Without notes and pacing up and down before the jury box for a full hour, Mr Leone achieved a level of intensity not seen from the prosecution previously in this trial. With his words in their ears and those of the defence still a resonating echo, the jurors retired to begin their deliberations after the lunch break. Of the original group of 16, four men were balloted out leaving a panel of nine women and three men.

Claire Morton has been named Britain's top nanny for her calm organisational skills and ability to fill her family's home with bath-time giggles. As the Louise Woodward trial drew to a conclusion, Louise Jury heard nannies and parents express surprise that the Eappens had left their baby in the care of an unqualified 18-year-old.

"It is terribly cruel to visit any blame on the parents," said Anne Diamond, the television presenter. "But I think they were getting cheap labour. It sounds to me as if Louise Woodward was doing the job of a qualified person."

Claire Morton, 34, received the Nanny of the Year award from *The Lady* magazine yesterday, and named energy, enthusiasm and organisation as the qualities all nannies needed. The work was "great fun", although looking after

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4/THE CRASH

Small investors keep their fingers crossed amid the turmoil



Taking stock: John Bennet, of Bordesley Green, Birmingham, in the Sharelink shop in the city, dealing in his investments. Mr Bennet, who was unemployed until recently, lived off his investment earnings for a year
Photograph: Sean Paget

Puzzled staff on the dealing floor at Sharelink, the telephone-based stockbroker, wondered early yesterday why "sell" calls flooding into their office were coming almost exactly on the hour, every hour. Then the penny dropped.

"There was a great deal of selling on the back of the Coe's changes, when the Footsie was initially 400 points off," a Sharelink spokesman said. "Typically, they appeared to be small investors, people who had just one or two blocks of shares from building-society de-mutualisations. The sentiment in the early morning was to sell. But by lunchtime, quite a lot of our more frequent traders were seeking buying opportunities. Things began to change a little, although it did not reach the volume of the selling. Although there was still a lot of money coming out of shares, the balance began to level off a bit."

that they are in this for the long term and this kind of thing can happen occasionally." Even the neophytes appeared convinced, especially those who poured billions of pounds into "tracker" funds, which mimic the stockmarket's performance.

double against normal levels by lunchtime, with sellers outnumbering buyers by five to one. But the company said yesterday its staff had noticed careful buying of FT-SE 100 stocks, as sellers cashed in their PEPs to move into carefully selected shares.

For millions of savers whose retirement income depends on the value of their pension funds, also heavily invested in equities, yesterday's falls also provoked few signs of nerves. Gavin Hill, managing director of National Mutual Life, a specialist pensions office, said most personal pension savers were, by definition, long-term investors and should be prepared to accept occasional reversals in share prices, such as over the past few days.

tential up-swing, individuals do not suddenly find the value of their pension dropping dramatically at the last minute," Mr. Hill said. About one third of NML's clients are automatically placed on such a scheme. As for those about to retire and buy an annuity with their lump sum, Peter Quinton, a director at the Annuity Bureau, said there would be little effect on the value of their income - as long as share prices do not continue to tumble.

"Although bond prices have been rising - thereby cutting the income from the bonds - the value of annuities themselves has remained stable at present," Mr Quinton said.

"People whose retirement is imminent should not be hit. But it is worth noting that if they were not in a protected fund in the final years before retirement and were simply 100 per cent invested in UK equities, the value of their pension fund would have decreased by 8 per cent. If they were 100 per cent invested in Hong Kong, the value of their fund would have dropped by 50 per cent over the past few weeks."

What to do when the market goes red

If you are investing in a pension
You are saving for the very long term. There is no alternative to what you are doing. Grit your teeth and keep funding your pension scheme.

If you are saving to pay off a house
The same applies. Remember, most endowment plans involve bonuses which once added to your policy cannot be taken away. There is a possi-

bility that the final lump sum at maturity may be smaller, but if the market recovers over the next few months, it should not be materially less than it would already have been.

If you are a windfall shareholder
If you decided to hold your shares so far, the chances are that here too you were looking to the long term. In any event, they were free so all you have lost is a notional paper

profit. Hold on to the shares.

If you are already an investor
Selling now would be a fatal mistake. The greatest failure of first-time investors is that they do the wrong things at the wrong time, investing when markets are riding high and pulling out when they are falling. If you have committed your money for the long-term, that is at least five to 10 years, stay put. In October 1987, share prices crashed through

the floor, but had mostly recovered by the year's end. At the end of 1987, prices were actually up 8 per cent compared to the beginning of the year.

If you are putting away regular monthly sums of money
Carry on investing. There is a peculiar process – “pound-cost averaging” – which can work in your favour. Essentially, it means that as prices fall, every pound you invest

buys more shares or units than before.

If you are considering making a lump sum investment. Hold off awhile. Wait for a week or so to see if the stock market's uncertainty resolves itself. There will still be some good buying opportunities. Talk to an independent financial adviser about them. Unless you are looking at the very long term, at least 10-15 years, avoid the Far East for a while.

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Revealed: Cheats who sell watered down meat

Leading supermarkets were 'named and shamed' yesterday for adding extra water to meat products without declaring it on the labels. Glenda Cooper, Consumer Affairs Correspondent, looks at how consumers are getting more information about the food we buy.

Sainsbury, Tesco and the Co-op were among the culprits accused of mislabelling pork products, in a list which was published by the Government yesterday.

It is the first time brand-names of products failing to meet standards in tests carried out by the Ministry of Agriculture, Fisheries and Food have been disclosed. Consumer groups welcomed the move, saying it enabled shoppers to make an informed choice.

In all, 16 out of 614 ham, bacon and gammon products tested either under-declared or did not label how much added water they contained. By law, raw cured meats with more than 10 per cent added water or cooked cured meats containing excess water after cooking must declare the extra water on the label.

Tesco was accused of failing to declare 18 per cent added water to its rindless back bacon. Tests on Sainsbury wafer-thin roast ham found 14.2 per cent added water, which was not declared. The Co-op's wafer-thin smoked ham contained 11.4 per

cent undeclared added water. Publishing the results, the Agriculture Minister, Jack Cunningham, said he hoped naming the brands would be enough to encourage more accurate labelling, which was "vitaly important, to give consumers information and advice about the products they buy."

"There were some 16 cases out of more than 600 samples. In fact, it's a remarkably good record for the industry. Less than 3 per cent of samples were not properly labelled," he said.

"I'm not suggesting these samples were wrong deliberately; there might have been errors in the production process. Whatever the reasons, we think it right the public should have this information," he added.

He said no further punitive action was planned against the companies.

A spokesman for Tesco said they controlled the processes during manufacture very closely and he was "disappointed" by the failure of one of their suppliers to meet their own required standards.

But he added: "The test used by MAFF to analyse water content is notoriously inaccurate. It cannot be relied on to accurately reflect the water content to meat."

"A result of 16 per cent may be gained from meat with a water content of less than 10 per cent."

"Trading Standards understand the problems of this analytical process and would not rely on it alone for enforcement."

A spokesman for CWS said that as their two products, Wafer Thin Smoked Ham and



Porkies: Leading supermarkets were 'named and shamed', the first time brand-names of products failing to meet MAFF standards were identified. Photograph: Bill Rowntree

Quality Cotswold Cooked Ham, were sold loose, the information on water content was given on a label at the delicatessen counter rather than on the packaging used to wrap them by the shop assistants.

He said MAFF had put forward no evidence that the information had not been provided. Sainsbury claimed it had not seen the report, so could not comment on its precise findings.

But the store said it had its own regulations on declaring added water which were "more

stringent" than those required by law.

A spokeswoman for the Consumers' Association welcomed the Government's move: "The more information consumers have the better. We want labelling to be full and clear." A spokesman for the National Consumer Council said: "We welcome the naming and shaming because it is vital that consumers have access to information so they can make an informed choice."

The next published results are likely to be those from

tests on the amount of water added to whisky.

In another move to free up the flow of information Dr Cunningham also announced plans to include lay representatives on all advisory committees which report to MAFF.

At the Institute of Grocery Distribution's conference in London, Dr Cunningham said he hoped to appoint members of the public to all the committees, including the Food Advisory Committee and the BSE advisory body SEAC, by the end of the year.

Call to get tough on farm pesticides

A row between the Government and a leading environmental group erupted yesterday over the levels of pesticides in vegetables.

Friends of the Earth called for the Prime Minister to get tough over farming practices after it claimed that a Government figures showed nine out of 10 lettuces are contaminated with chemicals, with 10 per cent breaching official guidelines.

But a spokeswoman for the Ministry of Agriculture, Fisheries and Food immediately dismissed FoE's claims as "wrong and misleading" and said the true figure was 1 per cent.

The figures on chemicals and foods are listed in the Government's annual pesticide report, where lettuces sampled for the survey were bought from retailers during 1996.

The director of FoE, Charles Secrett, has written to Tony Blair asking him to ensure that the planned Food Agency, a new watchdog on food safety, has power to curb farmers.

FoE said the report states that levels on lettuces were twice the recommended maximum level, even if farmers stick to the Government's guidelines.

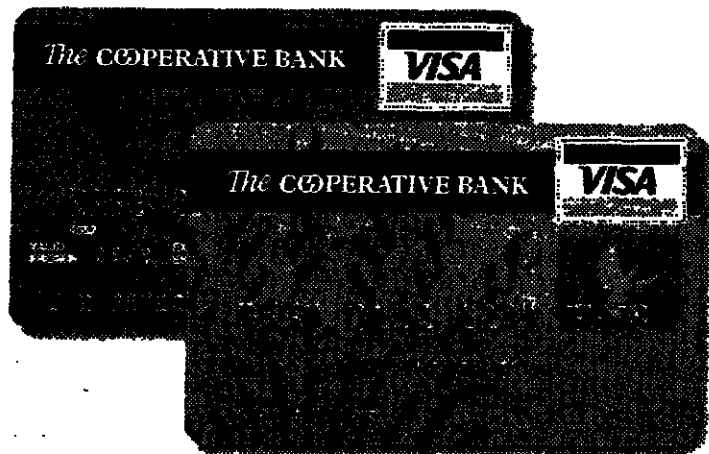
Pete Riley, food campaigner for FoE, said: "The public is told that eating greens is good for them yet many of them are contaminated by health-threatening toxic chemicals. Clearly, the Ministry of Agriculture is failing to protect the public. The Food Agency has to have authority over the way our food is produced, and that means the whole food chain - from the plough to the plate."

— Glenda Cooper

THE OFFENDING BRANDS

Sainsbury Wafer-Thin Roast Ham
Sainsbury Economy Unsmoked Back bacon
Tesco Rindless Back Bacon
Kwik Save Unsmoked Bacon
CWS Wafer-Thin Smoked Ham
CWS Quality Cotswold Cooked Ham
Quality Meats Cooked Ham
Murrays Meat Markets Gammon Ham (cooked)
Murrays Meat Markets Ham (cooked)
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Police told to tackle race bias

Racism within the police force is still widespread, says a new report. Jason Benetto and Petra Kendall explain how a government initiative aims to stamp it out.

Special tests to weed out racist and homophobic police officers are to be included in future entrance and promotion examinations under changes announced yesterday. The language used in recruitment interviews is also being altered after it was discovered to be biased against black and Asian candidates.

The reforms follow a thematic study by Her Majesty's Inspectorate of Constabulary which found that racist and homophobic attitudes, the "canteen culture", was prevalent within the police. It also found that officers of sergeant and inspector rank were often "reluctant" to intervene or stop racist language and behaviour.

A Home Office working group has been set up to co-ordinate the Government's response to the report and to ensure the recommendations are carried out. Among the

changes are new tests to be included in recruitment, selection and promotion boards to discover whether applicants hold racist or anti-gay attitudes.

Candidates, for example, could be asked how they would deal with racist language or actions. From January examinations to test new candidates are also to be altered to remove things such as racially biased slang and phrases that are open to misinterpretation.

The number of black and Asian officers in England and Wales has increased from 339 in 1981 to 2,319 in 1996 but this is still only 1.82 per cent of the total force, while ethnic people make up about 6 per cent of the population. There is also concern about the drop-out rate of young black recruits. The study concluded: "There was continuing evidence during the inspection of inappropriate language and behaviour by police officers, but even more worrying was the lack of intervention by sergeants and inspectors." It added: "Many ethnic-minority officers felt unsupported by management."

The disproportionate number of ethnic minorities who were stopped and searched

was criticised.

Dan Crompton, HM Inspector of Constabulary, said: "You will not change the hearts and minds of some officers overnight, but you can regulate conduct." He added: "Yes, canteen culture is still present." The report did, however, praise improvements the police have made in dealing with tackling racism in the past few decades. It also pointed out that members of ethnic communities are often the most unwilling to report crimes or help the police with information.

It was based on inspections in six forces - Avon and Somerset, Bedfordshire, Leicestershire, Merseyside, West Midlands and West Yorkshire. In six months the inspectorate will do a follow-up study of 15 forces, including the Metropolitan Police. Jack Straw, Home Secretary, said: "I am determined to tackle racial discrimination wherever it is found and to ensure that there are good relations between the police and the community it serves."

The Black Police Association welcomed the report but stressed that it was vital that its recommendations were acted on and not just talked about.



Labour of love: One of four statues of Lord Wilson on display at Huddersfield Art Gallery as part of the selection for a memorial to the former prime minister in his home town. Photograph: UNP

British millionaire escapes death row

A British millionaire has been taken off death row on the orders of a judge in Florida. But Kris Maharaj's conviction for the murder of two Miami business associates in 1986 has been upheld and he must serve a life sentence.

The *Independent* revealed last month that new evidence was to be submitted to the court to show that Maharaj was framed for the killings. Judge Gerald Bagley, sitting in Miami, rejected the submissions. The one-time flamboyant racehorse owner was represented by Clive Stafford-Smith, the British lawyer who specialises in death row cases. After the verdict Mr Stafford-Smith said: "We must be grateful for small mercies but I think there was politics involved."

He said he would be seeking the support of the British government in pressing for the trial to be heard again.

Maharaj, 58, had spent 11 years on death row after being convicted of shooting Derrick Moo Young and his son Duane in a Miami hotel room. Born in Trinidad, he made his fortune setting up a fruit import business.

— Ian Burrell

Cook bid to end stalemate over Lockerbie trial

A new initiative aimed at securing the trial in Scotland of the two Libyans accused of the Lockerbie bombing was announced yesterday by the Foreign Secretary, Robin Cook. He told the House of Commons at question time that he had invited the United Nations, the Arab League and the Organisation of African Unity to send a delegation to Scotland to show them its judicial system and discuss arrangements for a trial there with international observers.

The move is aimed at ending the stalemate under which Libya is refusing to extradite the two men for trial in Scotland or the US over the 1988 bombing of Pan Am Flight 103 which killed 270 people. The row over the issue deepened at the weekend when the South African president, Nelson Mandela, dramatically intervened in the dispute at the Commonwealth summit in Edinburgh, arguing that justice would not be seen to be done if a trial was held in Scotland.

Colleges in funding plea

A financial "sicklist" of one in five further education colleges is expected to lengthen following the axing of a pot of money for expansion in further education. A report by the National Audit Office says funding changes, which mean colleges' income is 3 per cent lower than expected this academic year, could prove damaging when combined with planned 5 per cent annual efficiency gains in further education.

College leaders yesterday renewed calls for an extra £230m in 1998-99, and questioned the feasibility of Tony Blair's vision of there being half a million extra students in further and higher education by the end of this Parliament if their concerns were not addressed.

— Lucy Ward

Fashanu seeks trial costs

The former footballer and television presenter John Fashanu, who was acquitted of match-fixing charges earlier this year, yesterday applied to the European Commission of Human Rights for his estimated £500,000 court costs. Mr Fashanu lodged an application to the Commission in Strasbourg after the judge at his trial in August at Winchester Crown Court refused him public money for his defence.

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The soya bean car that will make rust a thing of the past

Would you drive a car made from soya beans? Charles Arthur, Science Editor, explains that in the future you might because American scientists have worked out how to make strong, light, cheap plastics from the plant's oils.

Once upon a time, soya beans were going to feed the world – and, indeed, they are now used as ingredients in many supermarket foods. But now soya oil could save the world again, by replacing metals and plastics made from fossil fuels to build cars and even bridges.

A team of scientists at a university in the United States has just patented a technique which uses soya bean oils, instead of petroleum, to make cheap, light and "renewable" composite materials.

The new, rust-proof materials are already being used to build tractor parts, and their chief inventor said yesterday that they could easily replace metal parts in cars, such as body panels, without sacrificing strength. Such a replacement would offer savings both on fossil fuel extraction and car weight, which in turn would help to limit global warming: lighter cars need less fuel to power them.

"The soya composites can replace vinyl ester materials, which typically cost one or two dollars per pound," said Professor Richard Wool, of the chemical engineering department at the University of Delaware. "These cost about 30 to 50 cents per pound, and come in 12 different



Last year's model: Soya, which is cheaper and longer lasting than the metal-sheeting materials, has already been used to build a door-sized sample for motor manufacturers interested in developing the technology.

it was made using a low-energy procedure that is far more benign than metal casting systems."

Future formulations could even be made to biodegrade under certain conditions, say the scientists. Ultimately, natural straw or hay fibres might even replace the reinforcing glass matrix.

Professor Wool said: "That only costs about 10 cents per pound. We're not offering it yet, but you could have engineered lumber. You could have a car made of engineered wood. It would look wonderful."

The idea of using soya beans in composite materials is not new – it was first proposed by Henry Ford, who first brought cars to the mass market, about 60 years ago. But until now its practical use has been limited to surface coatings, such as varnish.

The new process bonds the soya molecules more tightly together, providing structural strength.

Deere & Co predicts a £31m net for farm equipment made from soy-based composites. But the market for vehicle parts could be enormous. And unlike standard plastics, it would be a renewable resource – which could be boosted by more planting.

varieties, depending on the property you want – rubbery, thermoplastic, reinforced matrix, and so on. It would work beautifully in cars."

Modern composite molecules such as polycarbonates, epoxies and vinyl esters consist

of "chains" of atoms. By combining different resins, materials with different behaviour can be made. But Professor Wool, who has been working on plastics chemistry for 10 years, discovered that oils extracted from soya had the correct chemical struc-

ture to be manipulated into different materials on their own.

The first customer for the new soya composites is Deere & Co, one of the world's largest farm equipment makers. It unveiled a door-sized sample of an early version of

the material, which will serve as the side of a hay baler, at a plastics industry convention in Moline, Illinois, last month.

Professor Wool said: "This first test part would replace standard metal-sheeting materials. It would not corrode or rust, and

Bug tsar appointed to stop millennium computer crash

First the Government appointed a drug tsar. Now it has a bug tsar to head a team of experts encouraging British companies to act before the 'Millennium Bug' crashes computers on 1 January 2000. Charles Arthur asks why the man who was already doing the job was not appointed.

The director-general of OfTel, Don Cruickshank, will be appointed chairman of the Government's Action 2000 group one day a week to tackle the "millennium bug" computer problem.

His appointment was announced yesterday by Barbara Roche, the minister for industry, who said: "There is considerable responsibility on him to make Action 2000 a success."

Yet the appointment could appear as a snub to Robin Guenier, who headed Taskforce 2000, the predecessor of Action 2000.

Mr Guenier's offence, at least in the eyes of the

Department of Trade and Industry, seems to have been that he was too effective in his full-time job to raise public awareness of the trouble ahead for computer users.

Part of that awareness included an exclusive interview with *The Independent* in September, in which he said that "nobody (in the Government) seems to want to listen" and that he had so few funds – £250,000 for a nationwide awareness movement – that he did not even have a secretary for the last year. He described his operation as "one man and his cat".

Mrs Roche was stung into action and Action 2000 is the result.

However, Mr Guenier's reward is to have his government funding cut and be passed over for the job, which Mr Cruickshank will continue to do for a day a week even after he retires from OfTel next March.

The DTI yesterday justified its action saying: "the Government decided to have a new body and a new person with new impetus and more money to get business to turn awareness of this problem into action."

Action 2000 will have £1m of funding until next April, and probably the same amount each year for the next two years. The "millennium bug"

arises because many computer systems and chips in everyday equipment, including lifts and hospital systems, store the year as a two-digit, rather than four-digit number.

An unknown number of computers will crash at midnight on 31 December 1999 because they will think it is the year is 1900 instead of 2000.

Some financial institutions with projects that finish in the next century have already noted the effects on pensions and savings plans during tests.

Mr Cruickshank's role will be to appoint a full-time chief for Action 2000 and ensure businesses take action against the bug as soon as possible.

Announcing Mr Cruickshank's appointment yesterday, Mrs Roche said: "For Action 2000 to be successful we need an experienced, well-respected chairman with a clear understanding of both the problem and implications."

She did not mention anything about not stirring up trouble for the Government, although that may be implied.

Mr Guenier was not available for comment, but the DTI said he looked forward to meeting Mr Cruickshank and discussing how they could work together.

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Internet will not replace the nation state, says academic

The impact of the Internet is not going to be as great as people have predicted, according to a study by academics.

Forecasts that it will lead to a "withering of the nation state" are incorrect, says Andrew Graham, an economist at Oxford University.

In a formal paper presented to a London conference, Professor Graham pointed out that the expectations of many people that the Internet will undercut countries' national boundaries is a myth, for a number of reasons.

"The Internet will increase competition and this will [bring] some goods' prices down – but not all prices," he said. Food and perishable goods would still not be viable, while information and experience-based services can never have a perfect market.

Similarly, predictions that the Internet will generate its own money supply, or that capital flows will pass beyond nation states' government control, were misguided. People would never trust an unregulated, virtual market, free of the constraints, checks and balances of conventional financial systems.



Fun and games: The Internet has tremendous potential as entertainment, but its more serious uses may be limited

"Money needs to be regulated if it is to be used – it would be nearly impossible for ordinary individuals to check on the credit-worthiness of a foreign bank. And it would be extremely inefficient for all of us to do that."

"Regulation creates efficiency in this field. If the Internet were to develop its own money – relatively unlikely anyway – it would either need to be regulated and supported, just

like any other form of banking, or it would at some point face a crisis."

"The awareness that this dilemma exists makes the creation of unregulated Internet money even less likely," Professor Graham said.

Capital flows, such as those seen on money markets, do not need the Internet to occur – those function perfectly well with the telephone, he added.

—Charles Arthur

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EU subsidies spawn threat to ancient grasslands

Britain's flax processing industry is taking action to prevent farmers ploughing up areas of scientific interest. Oliver Tickell looks at how the manufacturers are taking the lead in helping the environment.

The action by the industry will help close the so-called "flax loophole", under which the European Commission has been paying farmers tens of thousands of pounds to plough up ancient grasslands and wild flower meadows, in order to plant flax.

Sites lost or damaged by flax cultivation to date include at least four Sites of Special Scientific Interest, at Offham Down and Offham Marshes in Sussex, and Kernick & Ottery Meadows in Cornwall.

Farmers have been induced to plough up these ecologically valuable areas by annual payments of nearly £600 per hectare, under the Common Agricultural Policy. These compare with payments of around £100 per hectare from the Government to maintain ancient grasslands.

Most other CAP arable subsidies are only paid on registered arable land, however the flax subsidy can be claimed on any farmland, no matter how great its conservation importance. The generous terms of the flax subsidy have induced British farmers to plant some 20,000 hectares of flax this year.

Now the five UK firms who contract farmers to grow flax, and process it into fibre, have

stepped in to stop the damage.

Nigel Bazely of Robin Appel, Britain's leading flax contractor, said: "We were extremely concerned to discover that some farmers might have cultivated land of high conservation value. It is entirely unacceptable when the market for fibre flax is itself being driven by public demand for the use of more sustainable and environment-friendly raw materials."

British flax was now finding its way into a host of products, from papers to interior panels in cars. Mr Bazely said: "We are seeking to develop new markets for this natural fibre and the last thing we want is to spoil it all with environmental scares."

Under the scheme announced by Mr Bazely, UK flax contractors will no longer accept contracts for flax grown on "unsuitable" land - such as SSSIs, ancient and semi-natural woodlands, unimproved permanent grasslands, and County Wildlife Sites (unless approved by the local Wildlife Trust).

John Cousins, of the Wildlife Trust's, said: "We are extremely pleased that the private sector has taken voluntary action. Because farmers need to contract a buyer for their crop in order to claim the subsidy, we believe the system should prove watertight."

Friends of the Earth also welcomed the news, but said that it emphasised the need for reforms to the CAP. "There is a danger that this might be seen to relieve pressure for a long-term, Europe-wide solution", said the FoE's biodiversity campaigner Matt Phillips. "No way does this let Franz Fischer [European Commissioner for Agriculture] off the hook."



Unwelcome at the pleasure dome: A sunset view of the North Greenwich Peninsula, where work on the Millennium project was disrupted by protesters, right, who object to the construction on aesthetic grounds. Photographs: Brian Harris / Rui Xavier

Protesters rise up to halt Millennium Dome work

A group of protesters have broken into the site of the planned Millennium Dome and chained themselves 100ft up a crane in an attempt to bring the work to a halt.

The two women and seven men, who have given themselves the name "Time Bomb", are calling on the Government to scrap work on the project which is now under way at Greenwich, south London. The group describes the project as "an appalling open sore" on the face of area.

The activists, who are believed to come from south London, broke into the building site early yesterday morning and scaled the crane which is being used to install the 12 masts needed to hold up the structure of the dome.

Supported by safety nets, they then settled themselves under a banner bearing the words "Doomsday Dome". They claim to have enough provisions to last for a week.

A representative of Time Bomb, who called himself Mark, said: "Even if it is only for a few days they will be delighted because the tight schedule of the project means that substantial damage has already been done."

"The last struts were planned to be erected [yesterday] and we have managed to prevent that. The dome is a waste of money and natural resources. The people of Greenwich were promised regeneration, but this is not going to help them."

Jez Sagar, a spokesman for Millennium Ex-

perience, the quango in charge of the dome project, said no force would be used to remove the protesters but that company lawyers were being consulted. Crane workers and abseilers at the site had offered the protesters safety equipment.

"We are very concerned for the safety of these people," he said. "They have climbed up one of the 350ft cranes we have used to install masts which will hold up the dome structure."

As the day went on, a growing number of sympathisers gathered at the gates of the construction site. One man, who gave his name as Max, had cycled from the other side of London with food and clothing to give to the campaigners.

— Amanda Kelly



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Korean opposition join forces for polls

South Korea's two main opposition parties yesterday joined forces to field a joint presidential candidate. Though they did not decide on who that might be, it seems likely to be Kim Dae Jung, whom opinion polls show holding a commanding lead. A victory by Kim Dae Jung, 72, who is running for president for the fourth time, would mark a major change in politics in South Korea, where the conservative ruling camp has governed since the nation was born in 1948.

An official of the National Congress for New Politics party (NCNP) said Kim Dae Jung, who is president of the party, would become the joint opposition candidate.

Kim Jong Pil, leader of the smaller United Liberal Democrats, would become the prime minister if their joint candidacy won the elections, the official said.

Kim Dae Jung had visited Kim Jong Pil at the latter's home to conclude the deal. The latter was the right-hand man of president Park Chung-hee throughout Park's 18-year rule until his assassination in 1979.

The united opposition comes as the governing New Korea Party, which has never lost a presidential election, teeters on the brink of an acrimonious break-up. President Kim Young-sam and the man his party chose to succeed him, the former supreme court judge Lee Hoi-chang, are openly feuding. Supporters of the two factions in the party have said New Korea is on the verge of splitting. President Kim is barred by the constitution from seeking another term.

A Gallup poll conducted on Sunday showed Kim Dae Jung with 34.3 per cent support compared with 16.1 per cent for New Korea's Lee Hoi-chang, trailing in third place. Kim Jong Pil was last with just 3.3 per cent. Increasingly, speculation is focusing on Rhee In-je, a strong second in the Gallup poll with 26.8 per cent.

Mr Lee's faction in the New Korea Party is accusing President Kim of secretly supporting Mr Rhee, who bolted the party last month to run independently for the presidency.

Mr Lee has built his campaign around allegations that Kim Dae Jung amassed millions of dollars in political slush funds from the 1992 presidential campaign. Mr Lee has also refused to close the door on the possibility of the president's campaign war chest being probed.

—Reuters



Coup foiled: President Chiluba appealed for unity after yesterday's attempt to oust him

Photograph: Greg Bos/Reuters

I'm still in charge, says Zambia leader

An attempted coup by disgruntled military officers in Zambia was crushed yesterday, after only a few hours. Mary Braid says the episode has cast fresh doubt on the region's stability.

Twenty men were arrested after gunfire erupted around broadcast centre in Lusaka and near President Frederick Chiluba's state residence. Within four hours of the uprising the president was on radio to tell the country he was still in charge. The defence minister, Ben Mwila, said government troops had killed one dissident army officer and arrested 15 others.

"I want to warn those who rise by the sword that they will fall by the sword," said the

president, who won Zambia's first democratic elections in 1991, ending the 27-year rule of former president Kenneth Kaunda.

Mr Chiluba was re-elected in November last year, but the elections were boycotted by the opposition after he changed the law to prevent Mr Kaunda from standing against him.

Mr Chiluba, who did not attend the Commonwealth Summit in Edinburgh which ended on Monday, appealed yesterday to Zambians to unite, warning: "We can't go back to the dark ages."

Although there were reports of celebrations following the coup failure, the president's support has waned significantly since 1991. Many Zambians were deeply disappointed by his manipulation of the rules to prevent Mr Kaunda opposing him. A few months ago Mr Kaunda claimed the government had tried to assassinate him after he

was shot at an opposition rally. Mr Chiluba's democratic credentials also suffered when he jailed journalists who criticised his introduction of a law which requires presidential candidates to have Zambian parents, effectively barring Mr Kaunda. The rebel soldiers claimed yesterday that their hand had been forced by a criminal and corrupt government.

While the coup, headed by a soldier identified on radio as Captain Solo, was almost over before it started, it still casts a shadow over southern Africa. "There will be a negative impact," said Kaire Mbuende, executive secretary of the 14-nation Southern Africa Development Community, to which Zambia belongs. "It will cast doubt on the future political stability of our region."

And although Mr Chiluba's autocratic tendencies have disillusioned many voters, eco-

nomic reforms forced on the country by the World Bank have also dented support for the government. Zambia is now held up as a model of economic reform with extensive privatisation and sweeping changes in state businesses, but the changes have brought great hardship in their wake. Prices are rising and unemployment is worsening.

"The coup is not a surprise, but it surprises me with its timing," said Hermann Hanekom of the Pretoria-based Africa Institute. "Chiluba has for some time been playing the democracy game according to his own rules. I am not surprised that he is back in power, but we can expect him to pull in the reins on political freedoms, starting with the media."

Many foreign donors cut aid to the country last year in an effort to reverse the new law on the media.

Burmese junta sets up the barricades to block Suu Kyi

Burma's military authorities yesterday set up barricades and blocked opposition leader Aung San Suu Kyi from holding a political gathering outside the capital. The government said Ms Suu Kyi and her National League for Democracy (NLD) party were told not to hold the gathering, and said their insistence on trying to hold it despite the warning would only slow down the country's moves towards democracy.

The gathering at Mayangon Township, about seven miles from Rangoon, would have been the 1991 Nobel Peace laureate's second political meeting outside the city since she was released from house arrest more than two years ago.

—Reuters

Japan's women may get pill

Japan took a step towards approving the birth control pill after a key committee gave the oral contraceptive its blessing. The decision means that women may gain access to the pill next year 35 years after it was introduced in the West. Japan remains the only industrialised country to ban the pill for contraception.

Swazi protest against king

Armed paramilitary police fired tear gas at about 2,000 demonstrators awaiting Swaziland's King Mswati III on his return from the Commonwealth Heads of State Conference in Scotland, South African radio said.

The Prince of Wales and his son Prince Harry start touring the tiny southern African kingdom today. Swaziland has been plagued by actions from trade unions demanding constitutional changes to institute democracy. The country has been ruled by an absolute monarch since 1973.

—Reuters

Quake rocks Peru

An earthquake measuring 5.1 on the Richter scale shook northern Peru and southern Ecuador yesterday, causing roofs to collapse and some panic. The quake was centred nearly 450 miles north of the capital, Lima, in the northern province of Amazonas. In Montevideo, 45 miles south of the epicentre, houses collapsed. Radio reports from Ecuador also indicated panic in the southern cities of Macas, Macara and Machala near the Peruvian border.

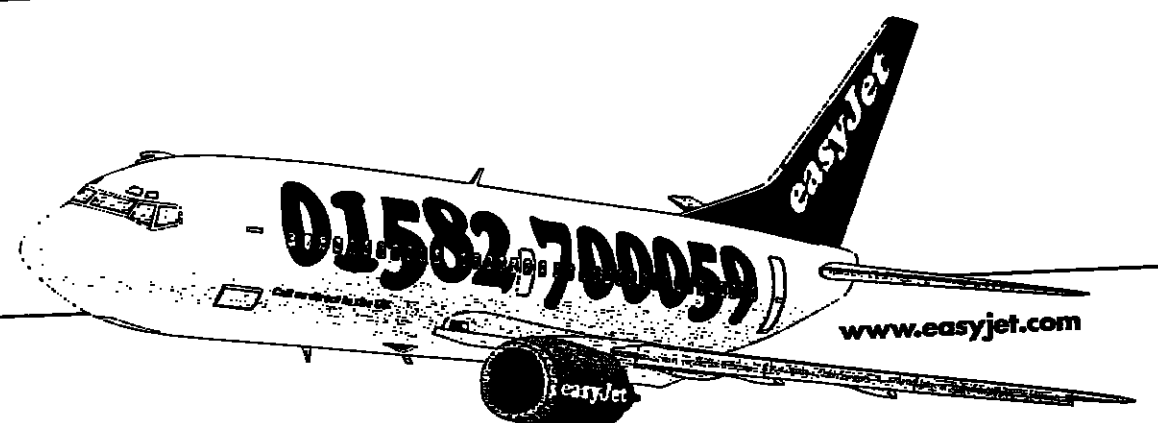
Kashmir chief's aide killed

Unidentified assailants shot and killed a key political aide to the chief minister of northern Indian state of Jammu-Kashmir, police said. The motive for killing Habibullah Para was not clear, but police blamed guerrillas fighting for Kashmir's independence. Mr Para was shot in Gandarbal, a village 10 miles north east of Srinagar, the state capital.

—AP

Surfer escapes Great White

An Australian escaped with only a few scratches after a 16.5ft Great White Shark chomped through his fibreglass surf ski yesterday. "He missed my feet by about one foot," said Brian Sierakowski, 51, who was paddling on the two-seater craft. "He chewed it in half," he said. The attack occurred off Cottesloe Beach, three miles south of Perth. Mr Hopkins said he had never heard of a shark attacking a surf ski before.



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Nuclear pact to set seal on Chinese leader's visit

When President Clinton meets Jiang Zemin in Washington today, a deal on nuclear co-operation will top the agenda.

As Mary Dejevsky reports, the lucrative prospect of selling power stations to China is rapidly outweighing fears about national security and the balance of power. But can Congress be persuaded to look upon an old enemy as a new partner?

Senior US negotiators were still in Peking at the end of last week, putting the finishing touches to an agreement which could pave the way for American companies to build nuclear power stations in China. Such an agreement would have multiple advantages.

It would please major US companies, such as Westinghouse and ABB Combustion Engineering, that have been hamstrung by the 12-year-old US ban on exports of nuclear technology to China. They have had to watch as French and other foreign companies competed successfully for the big Chinese contracts.

They say they have lost up to \$16m of sales. An agreement would help redress the \$40bn-and-growing US trade deficit with China, and dispel criticism in Peking that the US still discriminates against it for political reasons and uses trade to influence its internal policy.

But before the US relaxes the ban, it wants assurances from China that it will abide by international agreements on nuclear technology and use it only for peaceful purposes.

At the weekend, Mr Clinton appeared confident such assurances had been given. In his speech on China policy at the headquarters of the Voice of America radio station on Friday, he said: "China has lived up to its pledge not to assist unguarded nuclear facilities in

third countries and it is developing a system of export controls to prevent the transfer or sale of technology for weapons of mass destruction."

In the preceding days, US officials had reported undertakings from China that it would end "new" sales of nuclear technology to Iran. China was also said to have told the Americans that it was halting shipments of cruise missiles to Iran.

Some Americans are sceptical of China's assurances — and its motives. Until recently, the Chinese had refused to halt sales of nuclear technology to Iran, arguing that such exports were legitimate because Iran was a signatory to the nuclear non-proliferation agreement.

In Congress, which would have to approve any change in US trade arrangements with China, some right-wing Congressmen say China is being disingenuous and will say anything to obtain a nuclear technology agreement with the US and that President Clinton is deliberately turning a blind eye to recent Chinese violations of international agreements on technology transfer.

A different view of some US China-watchers is that China is genuinely in the process of curbing ties with Iran — not to please Washington but in its own self-interest.

With its fast-developing economy, they say, China will need not just US nuclear power technology, but a reliable supply of Middle East oil and a peaceful political environment in its western border regions and has concluded that Iran is more of a hindrance than a help.

Whatever the reasons for China's apparent change of heart over Iran, it seems to have opened the way for what could be the one specific agreement announced today. The assurances, however, are reported not to be unilateral. Before committing itself to buying US nuclear power technology, Peking is said to want cast iron undertakings from Washington that sales will not be subject to the vagaries of Washington politics, in the form of sanctions or other political pressure. That is



Hat trick: President Jiang dons a colonial-style tricorn hat while touring historic Williamsburg

Photograph: Reuters

Emigrés plan a rowdy welcome

A readiness to bury differences in pursuit of the greater cause is not something protest groups or émigré organisations are known for. But more than a dozen organisations and lobby groups joined to protest against the visit of the Chinese President. Mary Dejevsky went to meet them.

When Jiang Zemin arrives at the White House for the formal part of this week's summit today, he will be greeted by several thousand demonstrators, many of them Chinese exiles, and a copy of the Goddess of Democracy — the home-made Statue of Liberty built by student protesters — that was smashed by Chinese tanks in Tiananmen Square eight years ago.

The demonstration, in Lafayette Park just north of the White House, is the first big set-piece event in a week of protest that is unusual, even in America, for its tight organisation and sharp focus. It is a two-pronged protest — against President Jiang as representative of the regime responsible for the repression

in Tiananmen Square and which still violates human rights, and against the US Administration for rolling out the red carpet in his honour.

Human rights groups, coordinated by Amnesty International and a group called Human Rights in China, are disappointed that President Bill Clinton has obtained no promises to release or improve the conditions of two prominent political prisoners, Wei Jing-sheng and Wang Dan.

US officials note China tends to make concessions after the event rather than before so as not to appear to be submitting to foreign pressure. But recent high-level meetings, including the visit to Peking by the US Secretary of State, Madeleine Albright, have brought no movement.

Yesterday, introducing the week of protest, William Schultz, the executive-director of Amnesty International in the US, accused Mr Clinton of having "allowed China not just to stack the decks [for the visit] but to deal all the cards."

China had been able to "frame the debate" — to the extent that human rights might not even be formally mentioned at today's talks. "Trade trumps torture every time," he said.

something Congress will be reluctant to give.

Much is at stake for both sides. If China sustains its rapid economic growth, it is estimated to need \$60bn of new reactors over the next 15 years, and much of that business could go to US firms. The US, however, wants to know that its technology will not be diverted for military use or to third countries.

China already has signed the nuclear non-proliferation treaty, the Comprehensive Test Ban Treaty and the Missile Technology Control Regime. It has also told the US that it will join the Zangger Committee, a body through which countries supplying nuclear technology and equipment coordinate export procedures.

A formal announcement to this effect today could allow the US to 'certify' that China is a qualified recipient of US nuclear exports and lift the export ban. Mr Clinton could then boast that his overall policy, of using 'constructive engagement' to coax China into accepting international rules of behaviour, at least abroad, has been vindicated.

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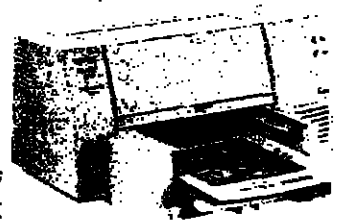
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Yeltsin declares war on political extremists

As Russia approaches the 80th anniversary of the 1917 revolution, Boris Yeltsin has launched a drive to snuff out fascism and political extremism. Phil Reeves in Moscow asks if it is the threat to democracy, or the threat to his own power, that really worries the president.

President Yeltsin signed a decree yesterday setting up a commission under the Justice Minister, Sergei Stepashin, with the task of putting a stop to "manifestations of fascism and other forms of political extremism in the Russian Federation".

The presidential press office said it would "work out measures to prevent political extremism and eliminate the causes and conditions under which it develops". It would also clarify the constitution, which outlaws any public body aiming to forcibly change constitutional order or instigate social, racial, national and religious strife.

The commission faces a complex task, not least because of the blurred line that separates extreme-right nationalists and monarchists in Russia and outright fascist groups, all of which have proliferated

since the collapse of the Soviet Union in 1991. Although an estimated 80 ultra-nationalist groups were last year believed to be operating in Russia, right-wing extremism has remained on the fringes of politics. There has been growing alarm about their activities, and also about the astonishingly high level of anti-Semitism in Russia. One small group, Russian National Unity, headed by Alexander Barkashov, an avowed Hitler admirer, has been allowed to patrol a park in Moscow in paramilitary fatigues.

The far-right's pinnacle came in 1993, when the ultra-nationalist Vladimir Zhirinovskiy's party came first with 22.9 per cent of the vote. By last year, his following had shrivelled considerably, delivering a mere 5.7 per cent of the poll in the first round of the presidential elections.

There were suggestions yesterday that one of the commission's targets could be the retired army general Lev Rokhlin, who has called for Mr Yeltsin to be thrown out of office by the force of public opposition. He has been campaigning within the armed forces, and has set up a movement which he claims has branches across most of Russia.

Mr Yeltsin's move will cause wry smiles among his opponents, especially in parliament. They know all too well that the great bulk of the power in the country resides in the Kremlin.

Dutch pave the way for gay couples to adopt children

The Netherlands is set to become the first country to permit gay couples to adopt children, after a parliamentary committee yesterday issued a report recommending full marriage rights for homosexuals, including the right to adopt. "Marriage has always been a flexible institution," said the committee, which was set up in June by the Justice Minister, Elisabeth Schmitz. "Same-sex couples can only be guaranteed equal treatment if they are allowed to enter civil marriage."

If the proposals become law - which could happen next year - they would confirm the penchant for social trail-blazing of a country long at the centre of international controversy thanks to its relaxed attitude to euthanasia and soft drugs like marijuana. Sweden and Norway already recognise gay partnerships for the purposes of pensions, taxation, social benefits and inheritance laws. But no national legislature has gone as far as permitting such couples to adopt children. In some American states and in Britain, single gay people are allowed to adopt children, but not couples, a state of affairs that gay rights activists are seeking to change.

Previously, the Netherlands' left-liberal coalition government had indicated that it would be happier if the gay marriage proposals were quietly shelved. But last night the recommendations drew broad political support. "We want this to be law before the next election [due in May 1998]," a spokesman for the liberal party said.

— Rupert Cornwell

French to march for Algeria

Leading French artists and intellectuals will march through Paris on 10 November to call for peace in Algeria. The former Socialist culture minister Jack Lang, now head of the French National Assembly foreign affairs committee, said the demonstration by prominent artists, writers and researchers would not take sides in the conflict between the Algerians government and Muslim fundamentalist rebels. The march to the Science City museum in the north of the capital will be followed by a vigil.

Socialists jailed for tax fraud

Spain's Supreme Court has convicted senior officials from the Socialist party in a high-profile case involving illegal political financing that helped bring down the previous government, court sources said. Senator Josep Maria Sala and former congressman Carlos Navarro were sentenced to three years and nine years in prison respectively for illegal association and falsifying documents. Navarro was given an additional two years in jail for tax fraud. Four other former Socialist officials, including accounts director Aida Alvarez and two businessmen, were convicted as well in the so-called Filesa case, which was named for the front company which was alleged to have been set up to funnel at least 1bn pesetas (£3.91m) to party coffers in 1989.

Weapons pour into Bosnia

Hundreds of howitzers and tons of ammunition, donated by the United States to the Bosnian Muslim-Croat federation's army, arrived in Croatia yesterday. The equipment is part of a \$400m (£240m) US-backed train-and-equip programme, designed to help the Bosnian Muslim-Croat federation establish a military balance with the Bosnian Serbs, the Croatian news agency Hina reported.

Hitler's mountain eyrie to become history centre



Hitler meeting Nazi families at the Berghof, where he planned the invasion of the Soviet Union and entertained Chamberlain
Photograph: Hulton Getty

The remains of Adolf Hitler's alpine retreat will be converted into a historical document centre in order to prevent the site from turning into a neo-Nazi haunt, state officials said yesterday.

The former British prime minister Neville Chamberlain and the Italian fascist leader Benito Mussolini were among Hitler's guests at his house, the Berghof, on the slopes of the Obersalzberg above Berchtesgaden on the Austrian border.

It was also where Hitler planned the German invasion of the Soviet Union and where he and his armaments minister, Albert Speer, conducted the Nazis' Second World War campaign.

The Berghof and the chalets of other senior Nazis such as Hermann Goering, the head of Luftwaffe, and Martin Bormann, one of Hitler's closest advisers, were damaged by an Allied air raid in April 1945. Seven years later the ruins were blown up on the orders of the Bavarian state government. The grounds were later used by US military forces for recreational purposes until 1995.

The new documentation centre will be housed in part of the bunker system and in a new building which is going to be con-

structed on the grounds of the complex," a spokeswoman for the Bavarian finance ministry said.

"The documentation centre aims to put the Berghof in its historical context through exhibitions," she said, adding that the centre would open early next summer.

The idea of setting up such a centre came from historians and local politicians after lobby groups complained that the retreat had become a place of pilgrimage for neo-Nazis and other right-wing extremists. They also charged that uncritical Hitler photograph albums as well as banned Nazi symbols and propaganda were being routinely sold there.

The Führer's long sojourns at the mountain retreat with members of the Nazi elite and their families were documented in detail in hundreds of photographs and in colour film.

Eagle's Nest, an alpine lookout 1,834 metres (6,000ft) above sea level, is the only building remaining from the original Berghof retreat and is today a mountain-top café. This was built as a 50th birthday present for Hitler.

— Reuters

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Defiant Saddam set for arms showdown

The Iraqi leader is threatening to end co-operation with United Nations inspectors in charge of the destruction of all weapons of mass destruction. Patrick Cockburn discovers why President Saddam Hussein is once again throwing down a gauntlet to the Security Council.

President Saddam has a track record of miscalculating international response to his actions, such as the invasion of Iran in 1980 and Kuwait in 1990. But he is master when it comes to assessing the balance of political forces at home.

In the past few days, the Iraqi leader has moved closer to a confrontation with the UN Security Council.

Yesterday Saddam was chairing a meeting of his ruling Revolution Command Council to discuss a recommendation by the Iraqi National Assembly that he cease co-operation with UN weapons inspectors.

This would make it impossible for the international team to visit military facilities in search of concealed nuclear, chemical or biological arms, and evidence of the means to develop missiles.



On the warpath: President Saddam Hussein and the Revolutionary Council. Saddam could block the UN from monitoring Iraqi missiles

Since the inspectors arrived in 1991, Iraq has fought a rear-guard battle to stop them discovering any material or documents from Saddam's 1980s campaign to develop a nuclear bomb, chemical and biological weapons — a campaign that was nearly a success.

The opinions of the Iraqi National Assembly do not normally count for much in Iraqi decision-making. But Saddam might prevent UN inspectors

working, despite warnings from Russia and France — the two powers Iraq hopes will get sanctions lifted.

France yesterday said it had warned Iraq against suspending ties with the UN arms inspectors. It said Iraq's co-operation was the only way it could secure the end of sanctions imposed in 1990.

Russia was equally firm. Valery Nesterushkin, the Foreign Ministry spokesman, said

any approach other than co-operation with the UN inspectors would be "fraught with negative consequences, above all for Iraq itself".

Last week, Russia and France abstained when the UN Security Council threatened to stop Iraqi officials' travelling abroad unless inspectors were free to do their job.

In private, Russian officials say Iraq is cutting the ground

from under its feet. If the Kremlin does move into a confrontation with the US in the Middle East, it will be more likely to do so over business with Iraq.

Richard Butler, head of the UN Special Commission (Unsc) on dismantling weapons of mass destruction, said the Iraqi attitude was ambivalent.

Only last Thursday his inspectors had found three

empty warheads that Baghdad had previously denied.

Meanwhile, Saddam's grip on domestic politics is far surer. Without his help, Masoud Barzani, leader of the Kurdistan Democratic Party (KDP), has withstood an offensive backed by Iran.

Earlier this month, the Patriotic Union of Kurdistan (PUK), led by Jalal Talabani, launched an attack against the KDP. It appears to have failed.

Israelis refuse to accept truth behind ambush

An official Israeli report into the deaths of eleven soldiers who set out to ambush guerrillas in southern Lebanon last month — only to be ambushed themselves — has concluded they were victims of bad luck rather than betrayal. But Robert Fisk finds that the report bears little relation to the facts.

In Jerusalem, the report may be comforting. But in Lebanon, it reads like farce. For if the Israeli commission of inquiry is to be believed, the Israelis still do not know who ambushed them, have convinced themselves an entire minefield was set up — quite by chance, at the side of a lemon grove 22 miles inside southern Lebanon — and that their men came under fire from a house which does not exist. If this is what Major General Gabi Ofir and Brigadier General Ran Galbika have concluded, Israeli troops are doomed to further disasters.

Eleven out of the 16 soldiers on the raid towards the village of Aansariyeh were blown up by mines that had been laid on the ground and hung from trees on the route which the Israelis were taking, the survivors coming under fire from Hizbollah guerrillas lying in wait. Investigations at the scene by *The Independent* last month proved the Hizbollah knew the raiders were coming and warned local Lebanese army troops they were preparing an ambush. The Israelis were betrayed by a double-agent, one of an army of informers who have been suborned or blackmailed by Lebanese guerrillas to change sides over the past year.

The informer — who has a relative imprisoned by the

Israelis — was identified by *The Independent*. But nowhere in the Israeli report is he even referred to. Indeed, the Ofir-Galbika inquiry suggests he never existed — even though all Israeli raids are co-ordinated with local collaborators. That guerrillas would have laid the mines by chance in so remote a spot defies imagination. But so the report would have us believe.

The ambush was pre-named Operation Abbas — after the Hizbollah secretary-general assassinated along with his wife and son by the Israelis in February 1994 — but the Israeli commission claims it has not clearly identified which group of guerrillas killed its men. In fact, the Hizbollah planted the mines and — according to security sources in Lebanon — actually drew the map which the Israelis used.

Nor does the Israeli report make clear their mission in Lebanon; according to *The Independent*'s investigation, it was to capture a Hizbollah official whom they believed — wrongly — was staying in the village of Aansariyeh on 4 September. The house from which fire was supposedly directed at the Israeli troops does not exist; in fact, the Hizbollah gunfire came from the north — not from the south as the report suggests.

Perhaps it was too hard for the Israelis to admit the truth after the biggest catastrophe to befall their occupation forces in Lebanon in 10 years. One wonders what Lieutenant General Amnon Lipkin Shahak, Chief of the Israeli General Staff, made of his officers' report. For the general is an expert on raids into Lebanon. In 1973, he led Israeli soldiers and Mossad agents into west Beirut to kill Palestinians who had massacred the Israeli team at the 1972 Munich Olympics. He, of all people, should know that in Lebanon, no ambush takes place randomly or by chance.

Arafat cracks down on media after riots hit Gaza

Khalid Amayreh, one of the few remaining independent Palestinian journalists, who had just published a report on torture in his country's prisons, was released yesterday after 48 hours under arrest.

None of the Palestinian media mentioned that Mr Amayreh, 41, who lives in He-

bron and is a long-time critic of Yasser Arafat, the Palestinian leader, had been detained.

In the article which led to his arrest Mr Amayreh quoted members of Hamas, the Islamic militant group, as saying they had been tortured, lied to, and one prisoner interviewed, said: "They took off

my clothes and laid me out on the floor of the room. They poured cold water on me, and started to beat me with a broomstick. When it broke they brought another one."

In another example of censorship by Mr Arafat, Palestinian police at the weekend stopped journalists reporting a

riot in Rafah, a town of 120,000 in Gaza, in which the house of the Palestinian governor was burned down.

Abdullah Abu Samhandana, the governor, leader of a powerful local clan and governor, was forced to flee after his house was attacked by 2,000 mourners attending the funeral

of a rival clan member killed in a shooting.

In suppressing the riot Palestinian police used live ammunition and one rioter was killed. The police confiscated the film of local journalists. The Samhandana clan, supported by Mr Arafat, has hitherto treated Rafah as its political fiefdom.

Since his return to Gaza in 1994, Mr Arafat has tried to restore the power of the traditional clan leaders to buttress his authority. Their influence had been reduced during the Palestinian Intifada and they are often unpopular, as they allocate jobs only to members of their clan. — Patrick Cockburn

MILLIONS FACE STARVATION IN NORTH KOREA

This winter may prove to have devastating consequences for the people of North Korea. With the public's support, the Red Cross has ensured that basic medical and food aid has been reaching those who need it most. But supplies are running dangerously low at a time when help is needed more than ever before.

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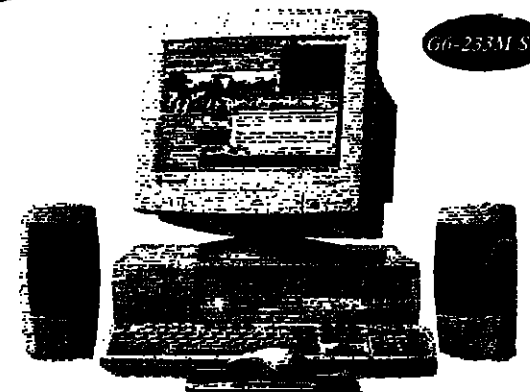
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14/TURNER PRIZE

Hopefuls queue up for the ritual rubbishing

This year's £20,000 Turner Prize will be won by a woman for only the second time in its history - but she won't be either a painter or a sculptor.

Jojo Moyes looks around this year's installations, as they go on show, and predicts yet another controversy.

There are few certainties in life, but outrage at the Turner Prize exhibits is one. And as the work of the four short-listed finalists was unveiled yesterday at London's Tate Gallery it appeared this year would be no exception.

True to controversial form, there was not a painting or sculpture among the 20 works on show, simply installations which ranged from dusted skeletons to a video of an abusive mother-daughter relationship.

The exhibits, by Britain's foremost contemporary artists, were described as "very accessible" and "exciting" by the gallery's Curator of Interpretation, Simon Wilson.

But it is fair to say exhibits such as Cornelia Parker's *Negatives of Sound*, which includes earplugs "made of fluff gathered in the Whispering Gallery, St Paul's Cathedral", are unlikely to provoke as enthusiastic a response among traditionalists.

The artist, previously famous for her collaboration with the actress Tilda Swinton on a work that involved the actress sleeping for a week in the Serpentine Gallery, also featured *Exhaled Cocaine 1996* - a handful of the drug, incinerated.

Herspectacular main exhibit, *Mass*, consists of shards of blackened wood, the charred remains of a Baptist church in Texas, suspended in an "explosion" from the ceiling on threads.

But then this should be no surprise from an artist who has previously created art by blowing up a garden shed, steamrolling everyday items and dropping things over the cliffs of Dover.

Another artist likely to upset the purists is Christine Borland, who shows three works investigating the brutal loss of human identity in medical research.

One piece, *Phantom Twins*, is based on

leather dolls containing real foetal skeletons used in the 18th century to demonstrate childbirth.

Another installation features two skeletons, one oversized, one undersized, both of which have been laid on glass shelves, "dusted" and then the bones removed, leaving "just a shadow that you could blow away".

Unlike another artist who recently made headlines, Ms Borland bought her

body parts from India, purchasing one unidentified "Asian woman" for £900. With the help of forensic scientists, Borland established an identity for her. The exhibition also features two unsettling video installations by Gillian Wearing, widely tipped to be this year's winner.

Wearing is fascinated by the ambiguities in human relationships: her *Sacha and Mum* features a mother and daughter's embrace which slowly becomes abusive. Her

60 Minutes Silence consists of a huge videoscreen showing ranks of uniformed police officers remaining silent for an hour.

Angela Bulloch's *Superstructure with Satellites* will at least impress those who believe in art as entertainment.

It is a large-scale piece of furniture painted in primal colours, surrounded by a series of strange noises set off by visitors who trigger pressure pads on the floor.

Yesterday two builders appeared un-

perturbed as they made use of the red cushioned seat, unaware that they were causing the strange booming sound around them.

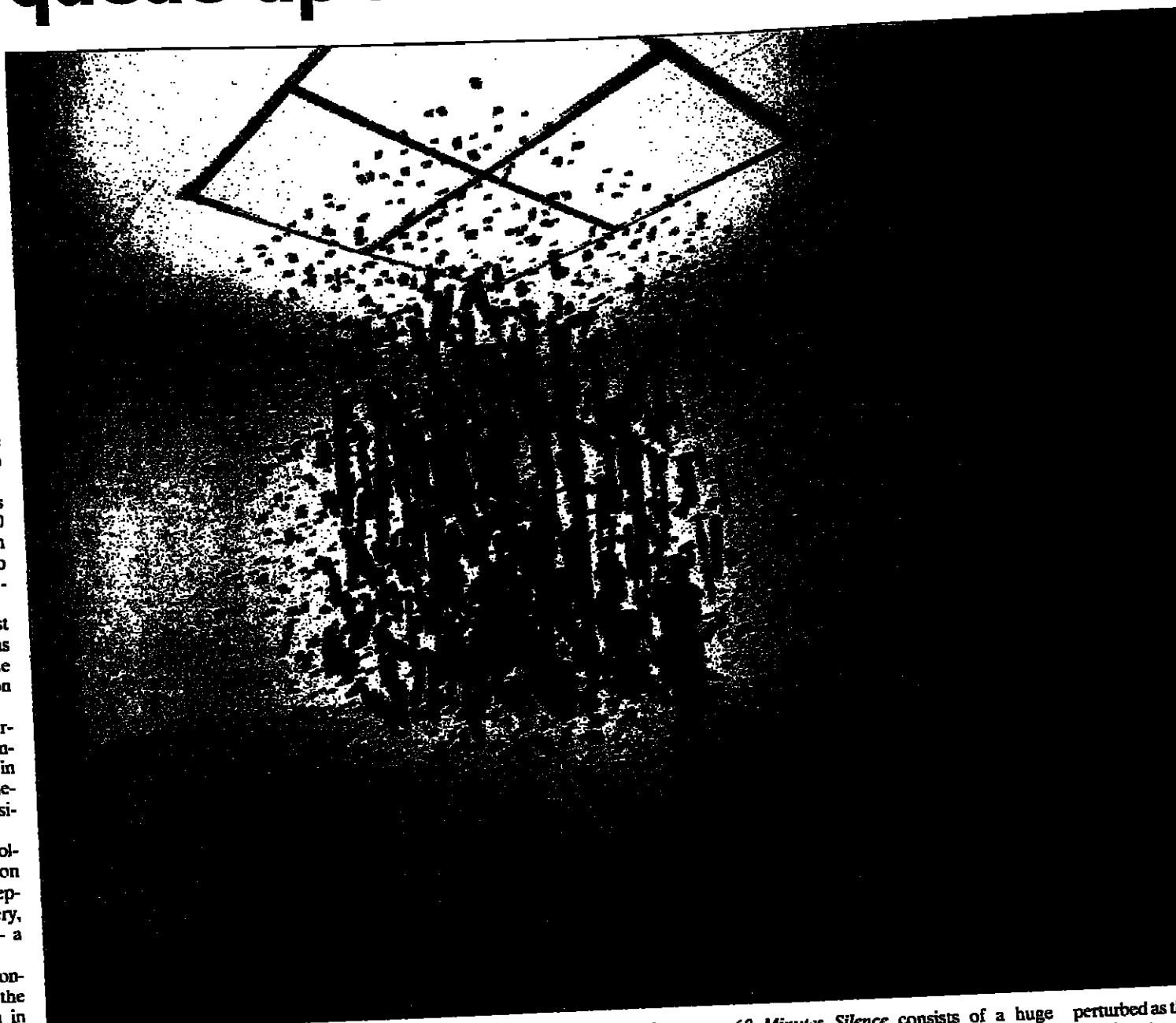
Nobody is surprised when the Turner provokes controversy.

Mr Wilson, perhaps mindful of epithets which have already included "the usual freak show" and "absolute rubbish", was yesterday robust in its defence.

"Contemporary artists have been ex-

ploring all kinds of materials for years and art does not have to be a painting or marble. It can be anything," he said.

The exhibition, he said, could have broad public appeal, "provided they are prepared to give it the same attention they would give to a good television programme or football match." The eventual winner of the £20,000 prize, which is open to contemporary British artists aged under 50, will be announced on 2 December.



Burnt offering: Cornelia Parker's *Mass* (left), consisting of the charred remains of a church, her *Negatives of Sound*, (above), which include earplugs "of fluff gathered in the Whispering Gallery, St Paul's Cathedral", and Angela Bulloch's *Superstructure with Satellites* (top).

Photographs: Brian Harris

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Defiant: Neil and Christine Hamilton at Westminster yesterday Photograph: Reuters

Hamilton has Fayed taped

A row broke out last night over the handling of the Neil Hamilton case after a committee of MPs decided not to take more evidence from the former minister.

The standards and privileges committee decided yesterday it had heard enough from Mr Hamilton, who had been found to have taken cash from the Harrods owner Mohammed Al Fayed for lobbying, but Quentin Davies, a Tory member of the committee, said last night that the decision was "a complete farce."

"On that basis I think any verdict reached by it will be unsound. It will be a miscarriage of justice whether or not it pronounces Mr Hamilton innocent or guilty," he said.

In any case, the former MP is in no mood to go quietly. In one of the most bizarre twists in the long-running saga

he called a press conference to play two tapes, littered with profanities and which he said were of conversations between Mr Fayed and his arch-rival, Tony Rowland.

Mr Hamilton claimed that the tapes, which came via Mr Rowland's solicitor, proved Mr Fayed had wanted to bring him down because he was part of the government which refused him a British passport.

The tapes were supposed to have been recorded by Mr Fayed in October 1994, just after *The Guardian* first published allegations that Mr Hamilton had taken cash for questions. They appear to show that the two men were discussing how they could pool information in order to wreak revenge on Michael Howard, who appointed government inspectors to look into the takeover battle between the

two men for Harrods.

Amid manic laughter, Mr Fayed appears to tell Mr Rowland: "The people who hurt you and people who hurt me ... we gonna exchange information and anything because you been taken advantage of by those parasites and crooks ... you know, because you have a lot of s*** from the Establishment and all the f***** people."

The Commons Standards and Privileges Committee is considering its response to a report from Sir Gordon Downey, the Parliamentary Commissioner for Standards, which found "compelling evidence" that Mr Hamilton took cash payments from Mr Fayed for lobbying services.

It will meet next Tuesday to consider its response to Sir Gordon's report.

— Fran Abrams

Shadow ministers poised to quit over Euro-sceptic policy

One Tory MP is poised to resign the party whip and another may resign from the front bench in protest at William Hague's Euro-sceptic policy on the single currency. Colin Brown, Chief Political Correspondent, says some shadow cabinet ministers may also be forced out.

Friends of two shadow cabinet ministers are urging them not to resign over the hardening of policy on the single European currency, which could lead one Tory MP to quit and another to stand down from the front bench.

David Curry, shadow agriculture spokesman, and Sir George Young, shadow defence spokesman — the leading pro-Europeans in the shadow cabinet — objected to the hardening of policy before the Tory party

conference. A compromise to reject entry "for the foreseeable future" was lashed together for a show of unity, but it was ditched last week in favour of a more Euro-sceptic stance, ruling out entry for at least 10 years.

Some of their colleagues are urging them to reopen the debate at today's meeting of the shadow cabinet. But one source said they had "no chance". "We are very comfortable with the policy now. It has got the Government on the run."

Ian Taylor, a Tory spokesman on Northern Ireland, is also unhappy with the hardening of policy and has told friends he may resign from the front bench, unless it is changed.

The commitment to oppose entry to the single currency at the next general election makes it more difficult for Mr Curry to stay in the shadow cabinet. He has told colleagues he would resign to fight for a "yes" vote in a referendum on the single currency.

But his friends are urging him to stay, after Gordon

Brown, the Chancellor, said Labour would not hold a referendum until after the next election.

"I think David, and Sir George are going to stay on board," said one shadow cabinet colleague. "They seem to have accepted the change."

But a veteran Tory "wet", Peter Temple-Morris is poised to resign the whip and will tell his constituency on Monday about his decision in protest at the growing Euro-scepticism of William Hague's team.

A senior government source yesterday fuelled speculation that the Tory MP for Leominster could be about to defect to Labour, while Liberal Democrats said they expected him to cross the floor to their benches, following in the steps of two former Tory MPs, Emma Nicholson and Hugh Dykes.

However, right-wing Conservative MPs yesterday shrugged off the threat of his departure. "He's hardly a Tory MP, he's so far out on the left wing. And would anyone notice?" said one frontbencher.

Warnings about Gulf War vaccines ignored by MoD

The armed forces minister, John Reid, yesterday released government papers which revealed a picture of appalling bungling by the Ministry of Defence over Gulf War illnesses with warnings from health officials being ignored. Ian Burrell finds that three senior MoD officials have since been disciplined.

The Ministry of Defence ignored danger warnings from the Department of Health and allowed British troops in the Gulf War to be injected with vaccines which were unlicensed for use.

The use of the anthrax vaccine in combination with a substance called pertussis, which was designed to enhance its effect, had been shown to be dangerous in experiments on mice.

In December 1990, a month before the outbreak of war, a senior Department of Health official faxed a warning to the

MoD about the "anxieties my experts have about the simultaneous administration of anthrax and pertussis vaccine".

He attached a letter of concern from the Hertfordshire-based National Institute for Biological Standards and Control, which had tested the vaccines on animals. "When [the vaccines were] combined there was evidence of severe loss of condition and weight loss in animals," the letter warned.

Nevertheless, the vaccines were used in combination on British troops.

Yesterday, John Reid, the armed forces minister, said that attempts to discover what had been done about the Department of Health warnings had not been conclusive. However, it was revealed in the report that the health department fax was not logged by the MoD until 10 days after it arrived.

It was admitted that pertussis, which is used to treat whooping cough, was not licensed for use on adults.

Dr Reid released a 27-page report giving details of all the medical counter-measures used to protect British troops during the Gulf War.

The report stated that, two

months before the outbreak of war, Allied intelligence made a "revised assessment" judgement that Iraq had developed Plague as a biological warfare agent.

As a consequence, British troops were given doses of the American-produced Cutter plague vaccine, which was unlicensed in Britain. A botulism vaccine and Naps (nerve agent pre-treatment sets) tablets, both widely administered, were also unlicensed. Troops were also exposed to organophosphate (OP) pesticide sprays, and Dr Reid yesterday issued a second report detailing how Parliament had been repeatedly misled over the extent of their use.

Yesterday's report said: "MoD Service and Civil Service staff knew that OP pesticides had been used more extensively ... than had previously been reported and that this new information would embarrass the department. However, appropriate action was not taken."

Two high-ranking military staff and one civil servant have been "reprimanded" over the failure to pass the information to ministers. Court-martial of the military personnel was not considered appropriate.

Dr Reid said that the release of the reports was part of a new spirit of openness between the MoD and the Gulf War veterans. "I am committed to doing all that I can to get rid of the distrust which has built up over the years between the Ministry of Defence and those who served their country in the Gulf," he said.

"This can only be done by a determined effort to pursue a policy of openness, whatever the difficulties and however many uncomfortable questions it may raise."

Dr Reid stressed that his department had no immediate plans to compensate sick veterans on the grounds that no cause had been found and so blame could not be apportioned. He said that the war pensions scheme provided sufficient financial support.

Richard Barr, the Norfolk solicitor representing hundreds of Gulf veterans who are seeking compensation, said: "The fact that he is saying that they are not even contemplating compensating the veterans perhaps shows that the Ministry of Defence has a fairly closed mind to the idea that it might be at fault."

MP has ministers in sights

Ministers are bracing themselves for an hour of embarrassment in the Commons tomorrow, when the Liverpool MP, Robert Wareing, is due to be suspended from Parliament for a week for not declaring a company interest.

The Commons Committee on Standards and Privileges also agreed in July that Mr Wareing, Labour MP for West Derby, "should make an apology to the House by means of a personal statement."

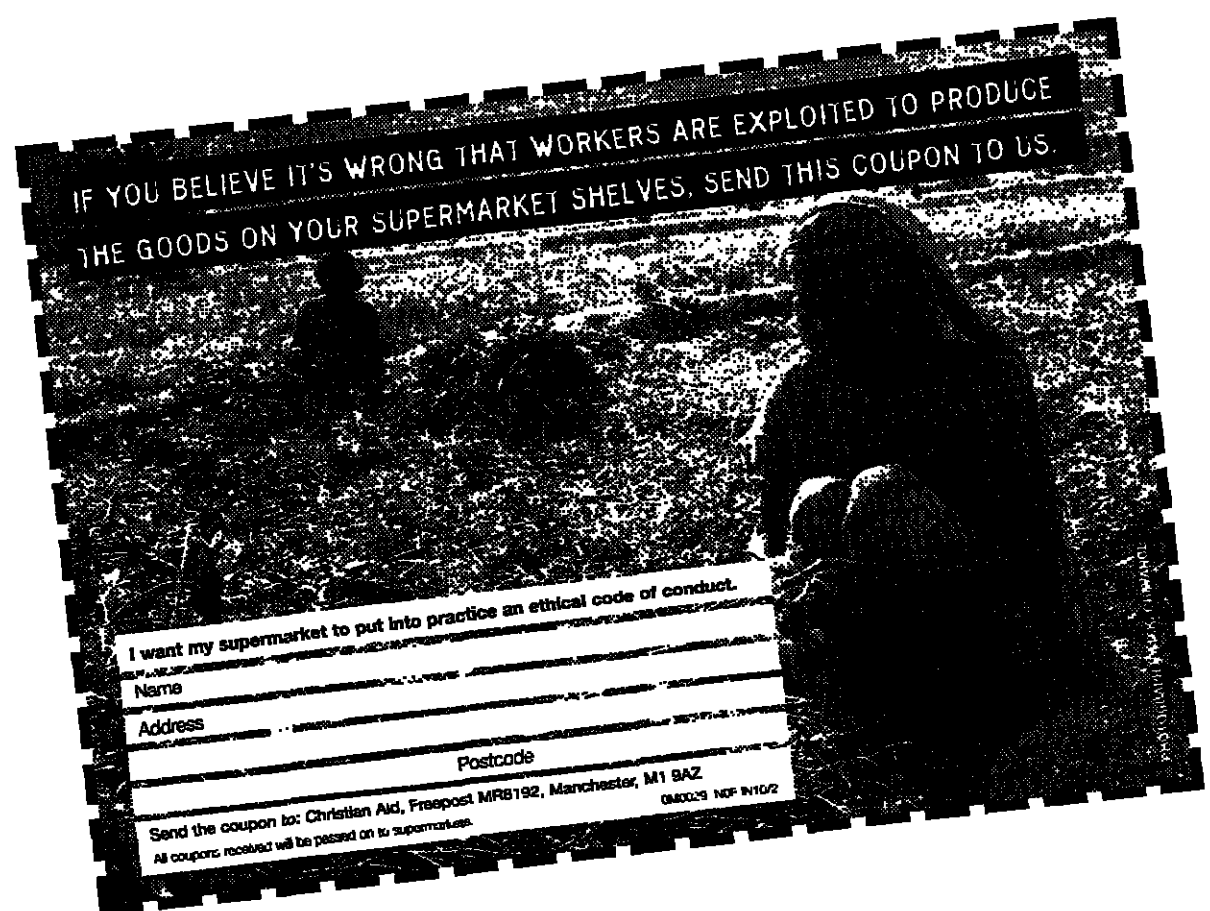
But there were fears that the MP would seize the opportunity to give vent to his anger over the affair.

That anger was evident in Mr Wareing's evidence to Sir Gordon Downey, the Parliamentary Commissioner for Standards, who investigated the initial complaint lodged by Nick Brown, the Government Chief Whip.

The allegations centred on claims that Mr Wareing had business links with the Bosnian Serb regime.

— Anthony Bevis

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16/THEATRE



HALLOWEEN

REVIEW

**The Secret Fall of
Constance Wilde**
Abbey Theatre, Dublin

More an adaptation than a play, Tom Kilroy's fresh spin on Oscar Wilde's life pretends to redress an imbalance, by focusing on the man's long-suffering wife. Unfortunately, it falls into many traps: the unavoidable clichés of the epigrammatic stage-Oscar, and the hazards of inventing around unknown events a century ago, here lamely overlaid with psychotherapeutic paradigms from our own age.

At its core, this is a three-hander between Jane Brennan's stiffly enunciated, highly rational, stalwart Constance; the gravelly, Shakespearean moans of Robert O'Mahoney's tormented Oscar; and - infinitely more watchable - the sullen, peremptory pup of Andrew Scott's Lord Alfred Douglas. Around them, in their imaginary afterlife, loom the enormous embellishments of Patrick Mason's production. The chorus of spectres in pin-stripe suits are most effective, their faces masked like sword-fencers, manipulating puppets which provide metaphors of parental determinism. The child puppets of the Wildes' two boys are poignant enough, but the giant puppets signifying monstrous Freudian father-figures back-fire ludicrously - particularly that of Constance's father, with its grotesque enactment of oral sexual abuse.

Despite the visual allure of Joe Vane's typically bold, elegant set (under Nick Chelton's chilly smoke-blue

landscapes), these devices rarely fuse with the cold, directionless drama. The latter displays some early flashes - the snatch of dialogue from Oscar about the infuriating, leaking goodness of Constance, her regret at the animalistic nature of their lovemaking, and appeals towards his sense of responsibility. But these strands are ploughed under by the tumult of incoherent style: the invocation of the classical androgynous (one of a number of scholarly outtakes from the drama); the apotheosis of the jailbird Wilde; or his mystic conversion to Catholicism, with Scott as a kind of mouth-kissing Pierre-et-Gilles priest-Christ.

As Kilroy admits, through Bosie: "There are so many Oscars, that's what makes him so seductive" - so again, Oscar remains indomitably centre-stage. Part of the problem is that, while it is easy to improvise around him, it is far less so with the overshadowed, unknown Constance. Here, she is little more than a peculiar cipher - despite her sharp, educated tongue, an all-for-giving, sainted woman. Obscurely wrestling with her own "evil", she interprets her attraction to Oscar as wounded pattern-behaviour; her experience of abuse implicitly fused with a serious fall in 1895, which hastened her early death. Glancing off such confused notions, Kilroy seems to flinch at indicting Oscar; in the process writing a play which is dramatically inert, and fails to realise Constance beyond a distant psychiatric equation.

To 15 November (booking: 00 353 1 878 7222)

Mic Moroney

Solitary, poor, nasty, brutish and short? Well, they probably wouldn't go that far

A man, a woman, a space (the Other Place), a few (a very few) words... How are Katie Mitchell and Juliet Stevenson proposing to turn half a dozen of the late Samuel Beckett's concise 'dramaticules' into an evening's entertainment?

"It's been ill, which wasn't a help," laughs director Katie Mitchell, starting up a metronome that is suffering from trailing tick syndrome. To embark on this current project, you would certainly need an alert metronome and a healthy stopwatch, an acute sense of proportion and no sense of proportion whatsoever - plus a good working relationship with the author's zealously vigilant estate and maybe even a handy stash of valium.

With Juliet Stevenson and Nigel Cooke as the (virtually) solo leads, Mitchell is mounting two paired productions (one focusing on each gender) jointly comprising an evening of six Beckett shorts, those "dra-

BY PAUL
TAYLOR

maticules" - as the author described them - that are at once miracles and nightmares of musicianly precision, focused intensity and psychological penetration.

I met up with director and actress at the Other Place in Stratford (where the project opens tonight) on a golden, piercingly beautiful October day. Neither of them, it must be said, looked as if they'd seen much sun lately; resembling more the prisoners who blunder into the light at the end of *Fidèle* than the thronging trippers I had had to wade through in the town. That, clearly, is what rehearsing a lot of this author does to you. On just such a day, one of his friends, while walking out with Beckett, remarked that it made you feel glad to be alive. "I wouldn't go that far" was the characteristically dry response.

Certainly, you feel it would take more than a spot of heavenly weather to bring out the gypsy in any of the characters here. They range from the suspended, jabbering mouth in *Not I* to the faintly lit face of the old man in *That Time* who finds himself bombarded by the recorded voices of three past selves. They extend from the compulsively pacing May of *Footfalls* to the bearded father-haunted protagonist in *Embers*, a piece whose radio play origins are to be ingeniously respected in Mitchell's staging.

Minimalist to a degree that pushes (with a paradoxically potent theatricality) towards a kind of anti-theatre, these are plays that hover like ghosts "on the very edge of what [is] possible in the theatre", as Beckett put it to his latest biographer, James Knowlson. On one of the manuscripts of *That Time*, he wrote, tellingly, "To the objection visual component too small, out of all proportion with aural, answer: make it smaller on the principle that less is more."

Of course, this minimalism could sometimes topple into unintentional farce. The Broadway producers of the erotic revue *Oh! Calcutta!* to which Beckett contributed a 35-second sketch, *Breath*, decided to transform what was intended as an ironic party-pooper into more of a standard turn-on by taking Beckett's stage direction - "Faint light on stage lined with miscellaneous rubbish. Hold light about five seconds" - and inserting the phrase "including naked people" after the word "rubbish". Outrageous, yes, but a bit of you feels that *Breath* was asking for it.

For the most part, though, Beckett's "dramaticules" - certainly all those in this project - "bite off more than they chew", to hijack Christopher Rick's witty defence of the same author's increasingly dwindling - unsubstantial yet

never insubstantial - prose works. There is, after all, a world of difference between parodying (an objection I have to some of Pinter's short, and indeed long, plays) and economy.

An entire evening made up of such pieces poses problems, though, of rehearsal, of ordering, and of setting. While each of the plays has its own strong and unmistakable personal identity, they are, as a group, full of mutual cross-references. Mental ties and their corresponding verbal ties keep resurfacing. For example, the solitary burden of consciousness is expressed in the same way by the old man in *That Time* and the woman in *Rockaby*, who is rhythmically rocked to seeming death by her mother's rocking chair. Speaking of herself in the third person, she rockingly recites: "Till the day came: in the end came/ close of a long day/ when she said: to herself/ whom else/ time she stopped/ time she stopped". The savage shrug (several times repeated) of that rhetorical question "whom else?" has its counterpart (again repeated) in *That Time*: "you could never be the same after crawling about year after year sunk in your lifelong mess muttering to yourself who else you'll never be the same after this".

Practical difficulties arise both for director and performers. How is Mitchell going to ensure that the pieces retain their individual impact and don't simply cancel each other out? What rehearsal methods can help release these difficult but deeply recognisable characters and save the actor from, as Juliet Stevenson droily puts

it, "looping round and finding yourself back at the beginning again and not being able to get off the roundabout" - or even suddenly cueing yourself into a parallel play?

What Stevenson calls "the merger between real environments and psychological environments" in these works is crucial to the game-plan of Mitchell's production. For both of the three-play groups, the aim is to pull the audience into an overall experience that will be like moving around private rooms that are also interiors of the psyche. Each space will be arranged so that (as Mitchell puts it) there is "absolutely spot-on side-line access" to the visual nub of the matter. For example, in the obsessively precise repetitive pacing in *Footfalls*, the character, May, stands more on the right side of the line than on the left; therefore, the arrangement of the seats (different for each show) is biased accordingly. There will be delicate "linking environments", so that as the audience progresses from, say, *Footfalls* to *Rockaby*, it will have to travel down May's well-trodden wooden plank and will hear, in an otherwise totally carpeted room, the amplified sound of its own tread.

The logic of the ordering of the pieces is intuitive. Mitchell reveals a progressive "dwindling" of the visual image and, conversely, a heightening of the aural dimension, climaxing on the demented jabber of *Not I*. Of course, no amount of ambient stimulus can alter the fact that these plays leave an actor horribly exposed and responsible. Beckett's characters are

at once daunting technical exercises, demanding the rhythmic, almost impersonal discipline of the most abstract music-making, and recognisable beings who need, in Mitchell's phrase, to be "warmed through" to bring out the common humanity that is in each.

As Stevenson says, there are psychiatric names for all the complaints on display here ("obsessive compulsive disorder", for example) but the seemingly extreme behaviour of Beckett's people is just the intense magnification of states most of us have touched on some time. Hence, the various angles of approach needed in the rehearsal room. The kinds of question the Stanislavski Method would ask of a stage character (how old is she? when did her mother die? what's her objective? etc) bear fruit up to a point. The team has decided, as one result of this, to play *Rockaby* as though the woman has just taken an overdose.

Beyond that, though, the technical demands require drilling and improvisation and games that help, as Mitchell puts it, to "physicalise the thought processes". To clarify the difference between the through-line narrative in these monologues and the enormous parenthetical digressions, they played a game where the actor had to jump in the room between a spot marking "narrative" and a spot marking "parenthesis". Sometimes, Mitchell reveals, the actor was on the parenthesis spot for 10 minutes at a time.

Beckett's troubled relationship with his mother ("I am,"

he confessed, "what her savage loving has made me") lays its impress on his work. A cynic might argue that he gets his own back on women by making sadistically inordinate demands of the actresses in his pieces. He regularly reduced his female performers to tears with his minutely pedantic stress on particular rhythms and patterns of intonation. The requirements of *Not I* verge on the inhuman. Stevenson and Mitchell are admirably level-headed about this. "Well," argues Stevenson, "you can always say 'no'. Nobody is forcing me to do this. Besides, discipline offers such liberation. I don't see how you could do these pieces if you didn't explore why it is he insists on certain things."

I suggest to them that the one stage further Beckett could have gone with *Not I* was to have had the suspended mouth wired up, as though it belonged to someone who was trying to diet herself to death. "But it's as if she has wired herself up for 60-odd years," Stevenson responded, "except for these occasional urges in the winter. And in the end, it isn't just depressing, there's such an energy inside that creature as she tries desperately to find a solution and a way out. The piece feels very benign towards her. She is so full of life - articulate, witty, ironic - that it does not seem a judgement of her. Given that so many women are so mute in so many plays, you certainly can't complain that you're not being given enough lines."

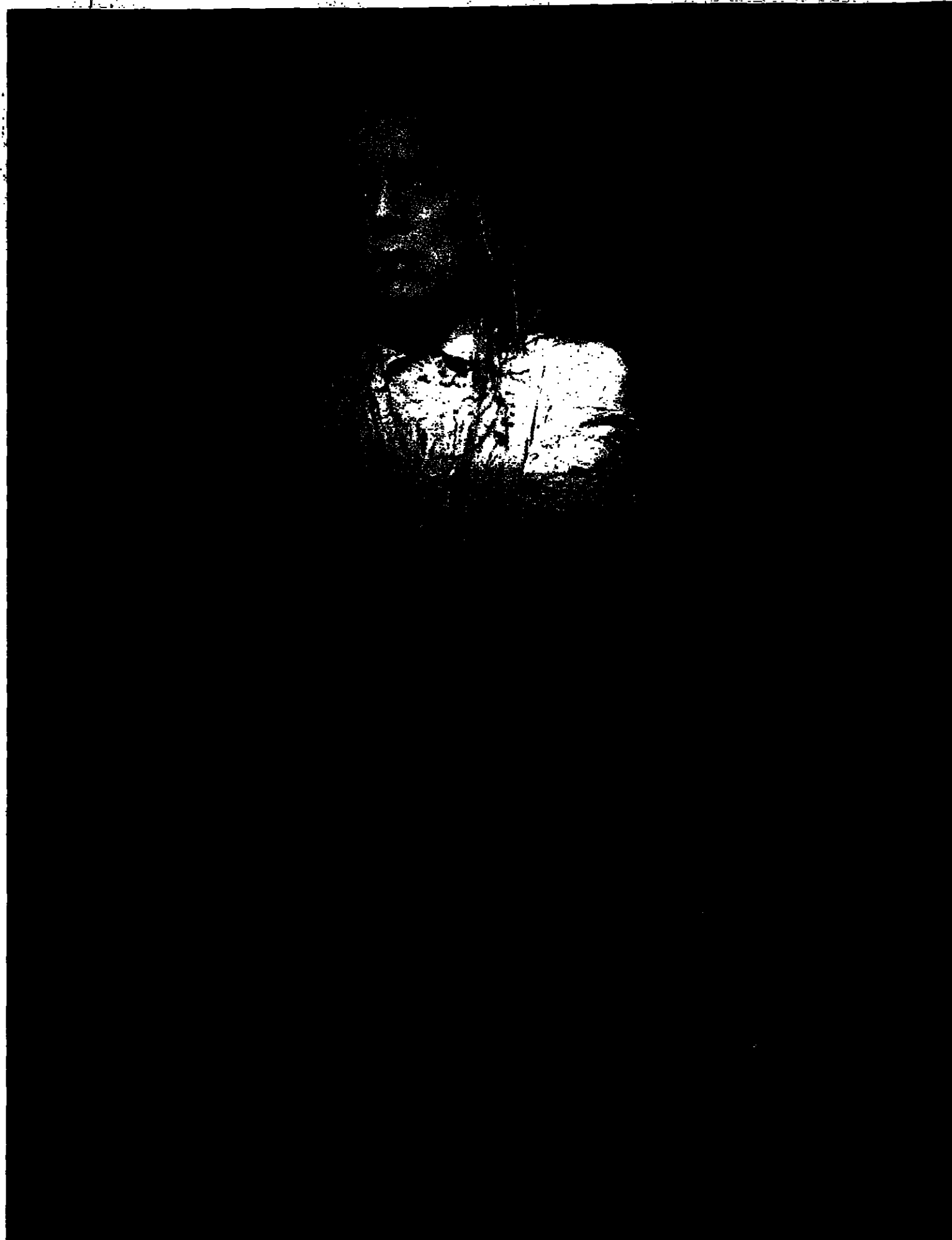
Both director and actor are aware that, without careful handling, a Beckett piece can

come across as mere chilly aesthetics. "But," argues Stevenson, "I would say to anyone wanting to break Beckett's rules, 'Well, the rules are delicious.' Not to mention monitored diligently by the estate which, perhaps because Edward Beckett liked Mitchell's staging of *Endgame* and because they want these pieces to find a public, is being more flexible here than it was when it put a stop to Deborah Warner's revisionist 1994 production of *Footfalls*, with Fiona Shaw."

To lend unity to the season that she has put together for the Other Place, Mitchell has invited the excellent young Irish director, John Crowley, to compile a complementary evening of one-act plays by other Irish writers (Synge's *The Shadow of the Glen* and *Riders to the Sea*, and WB Yeats's superb *Elegy*) which will open in February. Once again, finding the right context and environment is paramount in Crowley's thinking. He wants to rescue these plays from their status (in Ireland) of university lunch-time shows and to strip them bare of folksy paraphernalia so that the underlying patterns that bind them can be brought out by, say, the stark, simple use of the same family table.

Together, these evenings represent the kind of coherent programming one craves, the concentrated brevity of the pieces coming from an inner compulsion in the material and not from some external brief to be brief.

To 13 November, *The Other Place*, RSC, Stratford-upon-Avon (booking: 01789 295623). Then 25-29 Nov, Belfast Festival



Beckett's minimalist demands leave an actor horribly exposed; but, as Juliet Stevenson admits: 'Nobody's forcing me to do this' Photo: John Lawrence

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nd short?
go that far

Autumn weaves turn to gold

It's not easy being a woman for all seasons, admits Tamsin Blanchard. But autumn is when fashion comes into its own, with a strong look to take us through to spring. And this year, it'll suit all of us.

Whether you choose grey wool, marron-glacé-coloured velvet or shiny, black leather, the trouser suit can be serious, sexy or sumptuous. The grey option is the most practical. Every season, fashion designers decide upon a colour that hides dirt and inflicts it upon an unsuspecting public. Once it was black, then it was chocolate brown and this winter, the unanimous choice is grey. Calvin Klein loves it; Miuccia Prada adores it; and unlike black which can be too severe, and brown which can look sludgy, most skin tones love grey too.

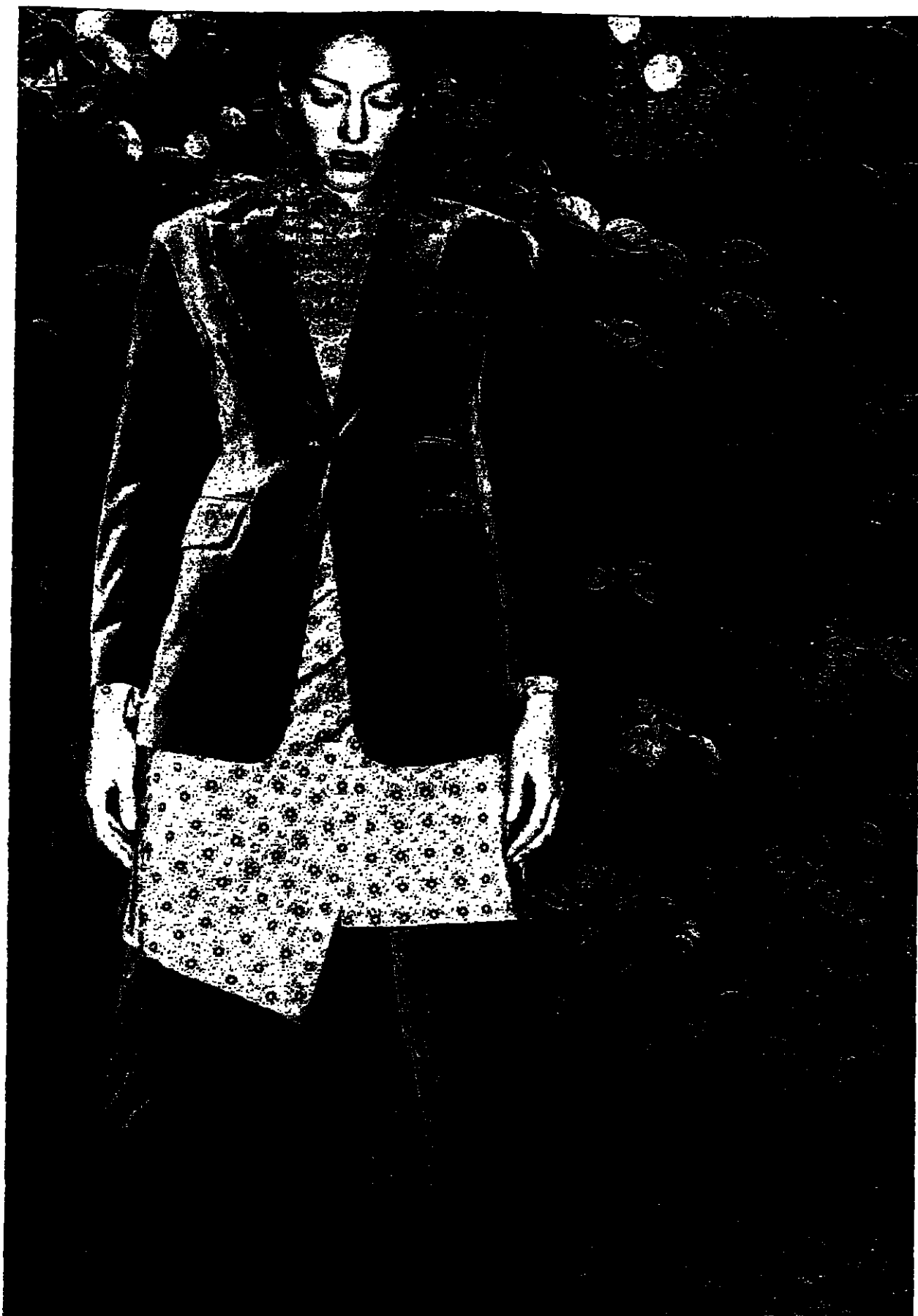
If you are a cynical old-fashion hack like myself, you would do well to go for a grey trouser suit that doesn't cost the earth. By next winter, grey will no longer be cool and fashionable, but dull and frumpy.

Lineazemme, the new Italian collection that is part of the MaxMara group, quite brilliantly caters for working women. The label has produced a single-breasted herringbone wool trouser suit for under £190. Fenwick bought the range because it has the quality and cut of MaxMara, but at affordable prices. Wear it with a delicate lace top, a pair of Prada-esque flat black lace-ups and matt-red lips and it'll pass for something much higher up the designer ladder.

Men buy suits to last from year to year. They can either be part of a uniform that changes only according to the weather, or a fashion statement. For women who want a serious but stylish working wardrobe, Jigsaw has the answer. The high street chain won Retailer of the Year Award at last week's British Fashion Awards, and has found success with its best-selling black (will single-breasted trouser suit. This winter, it comes in chocolate brown too.

If you already have one of those from last season, you might want to choose the sleek option in leather instead. The model in our pictures had a struggle getting the trousers on, but eventually they gave enough so that she could zip them up. Don't worry, though. Models battle with sample size 10 clothes every day. Safely ensconced inside one of the private cubicles at your local Jigsaw, you shouldn't have a problem easing into the right size trousers. And if your thighs are too big, maybe leather isn't for you anyway. The jacket, however, is cut quite generously so that you can wear a jumper underneath. Like all of these suits, the jackets and trousers are sold separately so if you are small of chest and broad of hip, you should be able to get a good fit.

Whatever the fashion of the moment, the ultimate autumn suit is always made of velvet. Look at the leaves turning gold on the trees and find something to match. This one by Whistles positively screams roasted chestnuts and autumn leaves. And what's more, unlike the grey number, a velvet suit will only get better with age.



Above: Gold velvet single-breasted jacket, £225; trousers, £115; and asymmetric shirt dress, £155, all by Whistles, from branches nationwide (enquiries: 0171-487 4484).

Above top right: Grey herringbone jacket £129; trousers £59, by Lineazemme at Fenwick, Bond Street, London W1 and branches nationwide (enquiries and mail order: 0171-629 9161); beaded and embroidered shell top, £75, from selected branches of Monsoon (enquiries: 0171-313 3000); black lace-up shoes £99.50, from branches of Russell &

Bromley nationwide.

Above right: Black leather single-breasted jacket, £269; black leather trousers, £250; and pale blue sleeveless sweater, £39.95, all from Jigsaw, 126-127 New Bond Street, London W1 and selected branches nationwide (enquiries: 0171-491 4484).

Photographer: Vidd Jackson
Stylist: Charlie Harrington
Make-up: Alex Babsky
Photographer's assistant: Sarah Greenwood
Model: Serena at Models 1



Red in claw? No, black, with barbed-wire piercings and a gold filigree overlay ...

The latest ideas in nail varnish? Forget those simple choices between red or pale, dark or frosted. Melanie Rickey claws her way into a weird world of chains, wire and dominatrix.

Dressing up your fingernails - with piercings, colour, and chains - has become the newest way of showing off. At the young British designer Fabio Piras's show during London Fashion Week, the brief for the nail technician company The Untouchables was: "Puerto Rican dominatrix". In response, Susie Marsh and Jackie Jefford shopped for chains, wire, skewers and piercings. Two weeks later in Paris, they were told to interpret "Dolly Parton meets Charlie's Angels in the Wild West" for Alexander McQueen's Givenchy show.

"I had to do five sets of barbed wire, one set of skewers, five sets of gold and black with diamond and five sets of red and black with silver chains for Fabio," Susie Marsh reels off the list as if she

really is talking about setting up a dominatrix's lair, when in fact she is talking about 3D nail art. Kate Oldfield, editor of *Nails*, a DIY guide to the art, noticed the antics of her 17-year-old sister, who spent every Friday matching her nails with her clothes, and decided to do the book. "One week I would see a Mondrian design, the next a daisy. Last week it was combat nails with combat trousers," says Oldfield. In response to her sister's new-found passion, she tried a few designs out on herself. "One coat of basic gold with a few blobs of brown, and you've



got leopard nails," she says. Oldfield's personal favourite is Chanel's Rouge Noir varnish, with a fine gold filigree transfer over the top.

Susie Marsh, in contrast, has been working with nails for 12 years, five of which were spent in training. Her private clientele includes celebrities, page three girls and regular women, who all love their nails to be pampered. The 3D nail art is a new addition to the business, and is something she does only on special occasions. "I couldn't do what I did for McQueen or Fabio on a regular basis; it takes too long."

For the Givenchy show Marsh and Jefford bought 9,000 individual diamante pieces that each measured 1.8mm in circumference. "We placed every single one individually, and had to do 140 nails in advance, which were painted with an air-brush and stuck to the models' own nails," she explains. "When Alexander came over before the

show I was so nervous I couldn't speak. He said, 'I know each one of those took an hour to make.'"

Marsh sees nail art as a growing trend. "Mary J Blige always makes the effort, so does Mel B of the Spice Girls, who had Union Jack nails." Nail art is simply another means of body decoration, like wearing a tattoo, or having complicated hair or make-up.

Fabio Piras has specific views on nails. He chose to use the feisty and rather dangerous-looking designs in his show as a symbol of the way women are perceived by men. "I find it very interesting that women can use their female attributes to get what they want. It's like men and their tattoos," he says. Indeed, women can be perceived as helpless if they have long, ornate nails, but, as Marsh points out, "When men see long red nails they either panic and run, or wait and see." What about when they see 3D textured nails with barbed-wire piercings? It seems that, in this case, the women are having the last laugh.

The Untouchables, Susie Marsh (0171-381 1778), Jackie Jefford (01722 326 780). Prices, from £10 for direct application to the nail, to £45 for fake nails. 'Nails', published by Kyle Cathie on 14 November, price £3.99.

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Elizabeth Arden

The au pair in America: an accident waiting to happen

In a country full of talk about family values, even affluent families are employing girls with no real training or experience to look after their children unaided and unsupervised. David Cohen's examination of the agencies in the au pair market gives rise only to disturbing feelings of corner-cutting and risk.

"When we arrived in America, the agency gave us a whirlwind four-day orientation course to life as an au pair in the US. They told us: if the baby cries, don't shake it because it may get brain damage and even die. But I don't remember learning anything else about how to care for an infant," says Susan (not her real name). Susan is a 19-year-old who, like Louise Woodward, had no real training or experience in caring for infants, aside from baby-sitting, when she took up her placement as an au pair with an American family a few months ago. "I look after a two-year-old and a six-year-old. It's hard work. I certainly don't feel competent to be left on my own all day with a crying infant," she says.

Those who have followed the Louise Woodward trial in Boston may well wonder what on earth the parents of eight-month-old Matthew Eappen were thinking when they hired an 18-year-old British au pair with no experience, training or qualifications and left her alone with their eight-month-old son for nine hours at a stretch. Who were they expecting? Mary Poppins?

Deborah Kappen and Sunil Eappen, Matthew's parents, are both specialist doctors and have the financial means to hand-pick the best available childcare. At the agencies that sell childcare to upper-income-bracket American families, they were offered a fresh-faced stranger who was no more experienced than a regular babysitter. Yet they eagerly employed her. Were they negligent? Or is Louise Woodward and her ilk the best they could get?

To the well-off couple, the quality they value above all else is continuity of care. Only 3 per cent of families can afford to buy continuous at-home care however and the way they typically get it is by going through agencies. They browse brochures or surf their Internet websites, all of which



Family values: many Americans seem to be seduced by the idea of a British au pair, however inexperienced

Tony Stone Worldwide

tend to feature photographs of pretty, white girls smiling at pretty, all-white kids.

The agencies insist on au pairs having "prior childcare experience", but this turns out to be nothing more onerous than "babysitting or looking after younger siblings and enjoying working with younger children". It's nothing near the level of training and experience a highbrow nanny examiner like the NNEB would offer parents in the UK. For this, US families pay the agency a handsome fee, approximately \$4,200 (£2,600). The au pairs are

only paid \$139 (£86) for 45 hours of work per week, a rate equivalent to the minimum wage, less an allowance for room and board.

Recruiting a top-of-the-range au pair seems not dissimilar to walking into McDonalds and asking an 18-year-old behind the till whether they would like a full-time job caring for your six-month-old baby.

But that is only half the equation. Maria, a part-time, voluntary local co-ordinator for an agency in the New York region and a social worker by training, says that she is "shocked by the low standards of some

au pair agencies in recruiting families and supporting au pairs".

"They will take money from a family, without vetting them properly to ensure that their expectations of their au pairs are realistic. They pay each local co-ordinator \$150 (£93) for every family recruited, and if we recruit a certain number over the summer, we get a free trip to Disneyworld."

"Yet for the most important part of our job, providing community support for the au pairs, we get \$20 (£12.50) a month. And we're not even trained ourselves. To be-

come the local co-ordinator, I was subjected to a 10-minute interview by phone. The au pairs get minimum input. The girls arrive, many having left home for the first time, hoping to have a fun year; instead of which they find themselves lonely and isolated, with families who are expecting a maid. It's disgusting. But I had no idea what I was getting into when I signed up."

Why do Americans stand for it? How is it that a nation that can send men to the moon cannot organise safe, quality childcare for its children? Even more alarming,

what kind of stark childcare choices face couples further down the social heap?

Ann Collins, a senior researcher on child care at the National Centre for Children in Poverty, Columbia University, puts the situation in context: "The majority of American families who seek child care are too poor to afford it, and organise help instead from relatives or neighbours. Some of these neighbours, if they look after several children and depending on state regulations, may have to be registered as family childcare providers (similar to the rather lax regulations for childminders in Britain)."

"The remaining 30 per cent of the 10 million children under five who are in childcare go to day-care centres where the carers are very low paid. They receive no training, or minimal training, and they receive the minimum wage of \$5.15 (£3) an hour. In many cases, where they are "off the books", they receive even less. As a result, those volunteering for this work tend to be unskilled. And of course, as soon as they find a better job, they're off."

This issue is rising up the political agenda: last week, Bill and Hillary Clinton hosted the nation's first ever White House Conference on Child Care. There is recognition that last year's Welfare Reform Bill, which aims to get single mothers off welfare and into work, cannot work unless working mothers have access to quality, affordable childcare.

The aim of the conference was to seek bipartisan support for new policy initiatives, without costing the state too much money, but the problem is that American society is ambivalent about mothers who work, and unwilling to provide resources for pre-kindergarten quality care.

But part of the blame seems to lie with the parents' attitudes. "In the US, there just hasn't been a strong appreciation of the need for quality childcare," says Ann Collins. "Research shows that parents think a loving disposition in a carer is enough. They equate the qualities of the carer with their own as parents. They think, I haven't been trained to be a parent, why should anyone else? And it's common here to employ 13-year-old babysitters."

"So when an 18-year-old white European from the agency walks through their door, she seems relatively mature and infinitely preferable to the equally inexperienced black or Latino 17-year-old girl who is the alternative. They implicitly trust a white more than they do a person of colour. Racist attitudes play a big part."

And what would they say if Ralph Fiennes had an 18-year-old girlfriend? 'Nice one, mate!'

It's a depressing fact that, while trumpeting the Nineties woman, tabloid papers still can't resist applying double standards. Francesca Annis gets Ann Treneman's sympathies.

The actress Francesca Annis does not look her age, and so she must be very thankful that every story written about her reminds her of it.

"Francesca Annis is 52," they whisper - before going on to tell us that her boyfriend Ralph Fiennes is 34. And, just in case we missed it, it is then noted that this means that Francesca is 18 years older.

Francesca and her age are back in the news again because Fiennes

yesterday got divorced from his wife, the actress Alex Kingston. Alex - as followers of this saga will know - is also 34.

Now, there are several thoughts that flit through the mind when reading this. The first one (if you are female) is that Ralph Fiennes is a heart-throb. The first one (if you are male) is that Alex Kingston and Francesca Annis are both heart-throbs.

Then, of course, one has to sift through the gossip that clutters up our minds despite the fact that we are all very serious people who prefer to read Wittgenstein rather than *Hellol!* most days. This includes knowing such factoids as that Alex Kingston played a steamy heroine in the TV series *Moll Flanders*, that Ralph played a very passionate hero in *The English Patient*, and that

Francesca seems to be sexy in almost every part she plays. Then, most people will probably think that divorce is always sad, but that's life in the Nineties.

What does not occur to any of us is that Francesca Annis is a rapacious woman who preys on younger men. But, to read the papers, that is exactly what she is. Francesca, they say, has "made a habit of having affairs with younger men". And when she played the older woman in the hospital drama *Reckless*, the media was in heaven.

"Francesca Annis has shocked the nation by stripping off and seducing toyboy lover Robson Green in the top hospital drama *Reckless*," reported one. "But she was just doing what comes naturally. For the stunning 52-year-old is having a

passionate fling with Hollywood's hottest young hunk, Ralph Fiennes."

If she is not too hot to handle, though, there is always the possibility that she has a fixation on being the mother figure. (Admittedly, they did meet when she played his mother in *Hamlet*, but that was acting.) Thus the headline over a story on them a few months ago that read "Mum's the bird!"

And, when they were snapped kissing in a London street earlier this year, the *Sunday Mirror* brought in a sex psychiatrist to tell us that their body language shows that Francesca "just can't stop playing mum".

Turn the tables, and see how strange this really is. Imagine that a 52-year-old man leaves his wife of the same age to take up with a 34-year-old woman. Even the moralists

at the *Daily Mail* couldn't make much of that one in age terms, and there certainly would not be years of coverage of how this man got a sexual thrill out of playing "dad" or of his penchant for younger women.

One of the favourite stories of the Nineties has been that it is no longer the end of the world to be an older woman. We see endless sexy shots of women such as Helen Mirren and Lauren Hutton. "In their prime!" shout the headlines. And yet the reporting on the likes of Francesca Annis shows that we don't really feel comfortable with the idea of sexy older women. We still judge what is appropriate for women and men in this area on entirely different scales.

Francesca Annis knows this, of course, because she is 52 and no fool.



Passionate friend: the newly divorced Ralph Fiennes with Francesca Annis, the older woman. Would anyone comment if the tables were turned?

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BELOVED AND BONK

Diary of a divorce



It's all so bloody commonplace, that's what gets me about this being left by your husband business. I keep meeting more and more women whose husbands saw a significant birthday coming and disappeared over the horizon shouting "Run Away Run Away", like something out of *Monty Python* and *The Holy Grail*. The stories are so similar that you could simply substitute the appropriate name and "one size fits all".

Take a plumber, a producer or a printer, a Tory, a tree man or a trades unionist, and stick 'em in divorce-land and they do the same stuff. And the stuff they do could be best described as sticking their fingers in their ears, shutting their eyes and singing. Any individual characteristics, any vehemently professed principles, any endearing little quirks, all utterly obliterated by the overriding need to shut down any emotion and completely ignore what's happening to them.

And just like all the rest, Beloved has become a cliché. What's worse, he's made me into a cliché, too, able to spot all the other divorcees wherever I go.

At the gym, any post-thirty woman who is way too thin, with triceps definition that Arnie would be proud of, won't be wearing a wedding ring. She'll be going at the treadmill as if her alimony payments depended on it, and

will very probably have a tan in February. She'll have lots of girls' nights out with her still-married friends. She'll have girls' nights in with her divorced friends, when they'll drink a bottle of cheap red apiece and detail the identical behavioural faults of their departed husbands. She may even have a boyfriend - some old piece of male flotsam that no one else saw fit to bother with. You have to remember, girls, spare men are like abandoned dogs in a rescue centre; they may look cute, but someone chucked them out for a very good reason.

I can even spot 'em out on the public highroad. The woman in the rather slow and battered car driving home at 10.30pm on a Thursday is a divorcee on an alternative or additional cliché programme: The Path Of Self Improvement and Discovery. This is usually most recommended by married friends, who assume that your break-up is due to some character deficiency (well, they have to, don't they, or it could just happen to them). This is of necessity a fairly narrow little path and doesn't run to world-wide travel, or eight years in a Tibetan monastery, as it should. In fact it runs about as far as a night off from the children will go: a Spanish or upholstery course at the local tech.

The only cliché that is even remotely attractive is that of the Rev-

engeful Abandoned Woman, or RAW for short. This has a lot going for it as a cliché - certainly more room for self-expression than Gym Girl or Upholstery Woman. It's a creative option with lots of scope for using intellectual ability and the long-term intimate knowledge of your ex's personality. And it's a lot more fun to talk about.

A friend of my sister became a RAW after her 59-year-old husband left to ride his Harley in full leathers with his 21-year-old totty on the back. So she sent the totty a present of his denture mug, his Y-fronts and his haemorrhoid ointment, with a little note saying "You should appreciate the whole man."

The trouble with the RAW strategy that it is a no-turning-back option. Once I'd smeared mouldy kipper behind Beloved's radiators, or put used knickers in his fridge, once I'd sent Bonk the eternity ring with a note saying "I think this is yours", or had a billboard erected with our wedding photo outside her door, I'd have to admit that it was really Over, not just temporarily but For Ever and Ever Amen.

So I'll have to stick to having good muscle tone (for my age) and learning how to ask my way to the lavatory when in Santander. Oh yeah, and I guess I'll have to pick up some old mongrel from the dogs' home, too.

Stevie Morgan

If we want a fair deal for workers, we must pay a fair price



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The world's equity markets have taken on a life of their own. Traders on the floors of New York, Hong Kong and London are behaving like automata, caught up in some global process. Fatalism rules in chancelleries and prime ministerial suites, even in the Oval Office. What science is there to tell us where this financial version of strange weather will take us next? Certainly not economics.

It may seem an odd day to assert that markets are there to be bucked, but the argument is there to be made, prompted by the story we carried the other day about Nike, the sportswear company. It goes like this. The power of consumers is grossly neglected – not least by consumers – and great corporations run huge risks when they ignore the sentiments and value judgements of those who buy their products.

One of the great clichés of modern business history was, head East, young man – eastwards, that is, towards cheaper labour costs. How many times did hair-shirt

Thatcherites warn British workers in the Eighties to mind their p's and q's and drop their wage demands, for fear of seeing production exported?

As with all business stories, this one turned out to be a lot more complicated. Certain products did not travel well. But among those which did move East and stay was shoe production. Labour intensive, demanding an agile but highly flexible workforce, the manufacture of sports shoes moved initially to South Korea and Taiwan – where the presence of authoritarian governments did no harm. Later, production shifted again to even more benign climates, in China, Vietnam and Indonesia.

This, more or less, is the story of Nike, which has grown big supplying the joggers of the Occident with rubber soles stapled in the Orient. But recently Nike has been sharply criticised for exploiting its mainly female workforce. The company is accused of turning a blind eye to abuses by its local

managers and subcontractors – despite its attempt three years ago to impose a code of good conduct on its suppliers. Women making shoes that are later sold under the Nike brand name are said to be beaten, and to suffer sexual harassment.

It is a fact that Nike pays low wages – low by American standards. That is the reason why its profitability has lately been so impressive. For its part, Nike argues that its rates of pay are good by local standards.

But there is the rub. Do relativist arguments carry all before them? Is forced overtime (one of the allegations) really an oppression in a society where paid work of any kind is scarce? In the United States Nike has lately come under pressure from a coalition of women's and religious groups, including a number of black organisations. But will American black youth sympathise sufficiently with the women of Vietnam to want to pay an extra \$10 for a pair of ultra-fashionable sneakers? Consumer campaigns such as

this do allow a pretty exact calculus of compassion.

It seems likely that the anti-Nike campaign will soon come here. But British consumers, like their American counterparts, are generally passive when it comes to enquiries about the provenance of the goods they buy. What will it take to make them ask questions? Their theoretical power is huge. Nike is in a competitive market where fashion can shift demand rapidly. Among its consumers are many younger people who, in principle, tend to be open to arguments based on sentiment.

Cynics will say that the power of large corporations rests firmly on habit and convenience – and the power of their advertising. There is an old argument – from Thorstein Veblen through to Kenneth Galbraith – which identifies the power of corporations with their control of the flow of information. But in the modern world it is easy to find out what corporations such as Nike or McDonald's have no wish to

publicise. And even then, consumers tend to stay with the devil they know.

Does that mean that campaigns such as the one against Nike are doomed? When apartheid imploded in South Africa a lot of people felt that their decision over the years to boycott produce from that country played some, small, role in the event. "Infinitesimal" might be a better word than "small" – though the boycott did contribute to the eventual release and did contribute to Nelson Mandela. But emancipation of South Africa was a big issue, carried – in South Africa was a big issue, carried – in Britain – by the forces of party politics. Moral energy is limited. Good causes are legion. The fate of South-east Asian women workers may be too small an issue to command widespread attention.

That said, consumers ought at least to know the flow of facts. The customer may always be right, but is surely also obliged to know when he or she is condoning a wrong.

Post letters to: Letters to the Editor

and include a daytime telephone number.

Fax: 0171-293 3056; e-mail: letters@independent.co.uk

E-mail correspondents are asked to give a postal address.

Letters may be edited for length and clarity.

LETTERS

Britain and the euro

Sir: In stating, in his speech to Parliament on the single European currency, that "the determining factor is the national economic interest", Gordon Brown has allowed short-term considerations to overshadow what are far more important long-term realities (report, 28 October).

This measure will have lasting cultural and psychological implications for Britain which will long outlive our temporary economic and political position. British men and women, with euros in their purses and pockets, conscious that these are spendable across Europe, will inevitably be drawn closer to European influence and away from the American cultural hegemony which has been dominant since the Second World War.

The decision not to join from the beginning will give Britain once again the sense of that late-arriving stranger which was felt in 1973 when we joined the EEC. France and Germany together will once again call the shots on the future imaginative development of the EU.

A nation is not just a bundle of economic and short-term business interests – it is a dynamic organism whose growth and self-regard can take decades to mature. In opting for short-term business and economic criteria the Chancellor has made no mention of what his stance might mean, culturally and psychologically, to Britain 50 years from now.

IAN FLINTOFF
London SW6

Sir: What makes politicians think that they will decide when we start using the euro? In 1999 it is expected that 13 out of 15 European Community nations will join, leaving just the UK and Greece outside.

International companies will convert their product price lists, accounts and pay lists to euros. Transport (sea and air) will be priced in euros. All major exchanges in Europe will be using euros. The City of London will be losing business.

Already UK retailers are planning to convert tills to euros in 1999. If banks and stock exchanges follow this change, the UK will follow, whether politicians like it or not. PETER TAITON-BROWN
Branscombe, Devon



Rights commission

Sir: Your leading article on incorporation of the European Convention (25 October) came to the surprising conclusion that the Government was right not to provide in the Bill for a human rights commission, on the grounds that it would foster a "culture of complaint".

This is to misunderstand the key role that the commission would play, not only in ensuring access to justice where legal aid may not be available, but in achieving exactly the kind of reform which you rightly say should be the paramount concern.

Ministers and officials could obtain new awareness through the process of challenge in the courts, assuming that individuals can obtain the advice and assistance they need to pursue their case. But how much better it would be if we had a statutory body whose primary role

was prevention, promoting good practice within government and public bodies, so that the danger of human rights infringements occurring was reduced.

A human rights commission would certainly have a role in supporting individuals, and in taking public interest test cases to clarify the law. However, its role in scrutinising draft legislation in training and in education could and should prove of greater impact than the outcome of cases in court.

SARAH SPENCER
Director
Human Rights Programme
Institute for Public Policy
Research
London WC2

Inclusive education

Sir: I am the chair of governors at Harborough School, a special school for autism. We believe that children with special

educational needs should be educated in mainstream schools wherever possible. However, to say that educating our children is a "challenge" is to underestimate the energy, ingenuity, and insight which staff in our school need to bring to their work.

Inclusive education as political dogma has been growing for some years. The consequences are that more children are being sent to schools in local education authority areas beyond their own or into private and voluntary sector placements, often at very great expense. At best this simply increases costs while at worst it divides parents from their children's schooling.

Where local authorities remain committed to maintaining special schools, budgets are constantly under threat. We are faced currently with severe cuts in our provision for younger children. I am sure our local

education authority, which necessarily has to concentrate on mainstream schools, has not thought through the consequences of its policies as applied to special schools.

For this reason, and others, I would welcome a regionalisation of funding for special schools, although what appears to be an arbitrary redefinition by the Government of the number of children in need ("Labour plan to resolve special needs dilemma", 23 October) smacks more of central planning and less of assessment leading to meeting the real needs of children.

CHRIS KING
Chair of Governors
Harborough School
London N3

Sir: My heart sank when I heard David Blunkett announcing that he intends to close more schools for children with special educational needs.

These children will not benefit from mainstream education unless the funds previously used for their education are immediately directed to the mainstream schools receiving them.

Already teachers are stretched to the limit coping with large classes which include many children whose needs are not considered sufficiently "special" to merit separate education, but who nevertheless require a disproportionate amount of their teachers' time.

Closing specialised establishments is used as a way of saving money (as in the disastrous "care in the community") when in fact, wherever they are catered for, special needs require the same funds.

JANE KEMPTON
Leamington Spa
Warwickshire

1994 – recognised that deaf children have a right of access to their national sign language, and that enhancement and recognition of their language and identity could often mean dedicated units or schools. The issue is very complex, and well-meaning people are at risk of encouraging decisions that will damage those who are already disadvantaged.

MARGARET ARCHER
Brockton, Worcestershire

Safe in the asylums

Sir: The call for "safe havens" for schizophrenics (letter, 24 October) is sensible and humane. They did, of course, exist once – they were called asylums, and they had space, gardens, fields, and workplaces to provide the environment that we now seem so desperately to need.

JULIAN MUNBY
Oxford

Repeat driving tests

Sir: I support any measure that will reduce poor driving standards and road casualties, but do the proponents of a repeat driving test ("Drivers face 10-year refresher tests", 27 October) really think that habitual speeders and the perpetrators of "road rage" will exhibit their bad behaviour under test conditions? A much higher priority should be the enforcement of existing laws.

Until there is a public recognition that something more radical has to be done to curb the selfishness of those who regard speed as their special prerogative at the expense of the public at large, I and many others will regard calls for repeat tests as a cynical political stunt to convince the unthinking that something is being done, where there is in fact no will at all to take the simple and obvious action that is needed.

ROGER IREDALE
Whaky Bridge
Derbyshire

Bloodthirsty Scots

Sir: The proposal to form a Scottish Defence Force ("Bravehearts stirred by army plan", 27 October) will spread alarm and despondency throughout the north of England.

Tales of raids across the Border by bloodthirsty Scots are still remembered in many quiet English villages. Peace came only when the crows were united by James I, who dealt firmly with notorious terrorists such as Armstrong of Gilnockie.

The threatened end of that union, together with the proposal you describe, underlines an urgent need to recreate the Northumberland Fensibles.

ROBIN L. PLACKETT
Newcastle upon Tyne

Priceless Van Gogh

Sir: I see you have uncovered yet another Van Gogh forgery – a mirror image of the sunflowers bought by a Japanese collector for £24.7m (report, 27 October). What would this version be worth?

JOHN BUSBY
Ormsiston
East Lothian

How to survive a police speed trap if caught hairdryer in hand: a reader writes



MILES KINGTON

From time to time I get letters from readers who are better informed than I am about certain things (or, in some cases, about everything) and I leave these letters lying about, admiringly rereading them now and again until a point comes when I suddenly realise I have enough points from readers to make a complete article, and thus absolve me from coming up with an idea of my own.

Such a point has been reached today, and the first letter out of the privileged pile is from Harry Morrison of Barnes, who wrote to me in July about police speed traps.

Yes, I know July is a long time back, and I know Mr Morrison must be wondering what kind of columnist doesn't

reply to letters, but now I have written back to him, explaining that I am the kind of columnist who saves up letters with good points to make until such time as I have enough of them. See first paragraph for rest of explanation.

At that time I had reported the case of a man who tried to slow down the speeding traffic outside his house by pointing his wife's hairdryer at it. There were two results. One, the speeding drivers all thought it was a speed-reading device and slowed down. Two, he was prosecuted by the police for infringing police duties.

I wanted to know under what law he could possibly have been prosecuted, and also whether it was illegal to warn

people about a police speed trap ahead.

Mr Morrison, who I take to be a lawyer, both from his knowledge of the law and from his hasty handwriting (indeed, his signature may well be Murchison), says that he cannot think of any regulation under which the man with the hairdryer might be prosecuted, unless it were section 90 of the Police Act 1996, replacing an earlier provision.

He has duly supplied me with a copy of this section, on impersonating a police officer, which makes it unlawful to wear uniform or possess uniform, or even a badge, which might lead people to think you were a member of the police, or to make any statement, or do

any act which shall falsely suggest that you are a policeman.

Well, doing anything or saying anything covers a lot of ground, and I suppose that holding out a hairdryer at speeding cars might come under the heading of doing something which suggests that you are a plainclothes policeman. (Though if this means that only a policeman is allowed to measure the speed of cars, I think something is very wrong.) And when it comes to warning motorists of impending speed traps, it seems that things are equally risky.

A Mr Kenyon Alexander, of Stratford-upon-Avon, wrote to tell me (also last July – letter on its way, Mr Alexander!) that the

Automobile Association was originally formed partly to protect car drivers against speed traps, and indeed I can remember the days which he recalls, when the failure of an AA patrolman to salute a member was code for "Speed Trap Ahead, Sir..."

Both saluting and non-saluting have vanished from an AA man's duty, but Mr Murchison (or is it Mortimer?) has sent me a fascinating résumé from the Weekly Law Reports of 1982, of a case in South Wales in which a policeman was prosecuted by the police for warning the public against a police trap.

Briefly, the accused fellow constable knew that his fellow police were planning a raid on

a pub in Chepstow where after-hours drinking often took place, and that one of their number would be drinking there, out of uniform, that night.

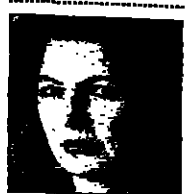
This pub was the constable's local, and he felt moved to use his confidential knowledge to protect it. So he got word to the landlord that a police raid was planned, and that the man sitting drinking all by himself was a copper.

The result was that the plainclothes drinker got a very chilly reception, no after-hours drinking took place, the raid failed, and the copper who grassed on his mates was prosecuted for obstructing the police. He was found guilty, and appealed. The appeal judge

found for him, hearteningly, on the grounds that (as far as I can make out) no offence was being committed at the time of the warning, so the police constable was not stopping a crime being committed, even though the police had good reason to think that one might have been committed later on.

Where this leaves the motorist in the street who flashes his lights to warn oncoming motorists of a speed trap, I do not know, and nor I suspect does Mr Morrison (I fancy after all that his name is leave me, though. It leaves me with a whole pile of other readers' letters to fillet. Until tomorrow, then, ladies and gentlemen!

Double standards for the unheroic men of football



**SUZANNE
MOORE**
THE SPORT OF
WIFE BEATING

I am as partial to Fantasy Football as the next girl. My dream team would consist entirely of footballing geniuses who just happen to beat up women. These lads may have "problems" off the field but what the hell, they are gods on it. We could have Gazza and Ryan Giggs up front and I am sure we can rustle up a few others. Leslie Ash may have dropped the charges against ex-Leeds striker Lee Chapman but those charges were for criminal damage and common assault. I'm sure there are enough young boys out there keen enough to emulate their soccer heroes who could be drafted in to this team. This wouldn't be a problem at all.

No, the problem would be to find a team to oppose them. The managers, the sports-writers, the footballing establishment, the tabloid press? Surely between them we could cobble a team together to take on the wife-beaters. Well, no actually. That's where the fantasy ends because no one seems to really want to do anything about the appalling behaviour of our footballing superstars. Failing a drugs test is serious. Breaking your ex-girlfriend's nose in a night-club merely a hiccup... Well, you have to remember that Giggs had scored two goals that day so was possibly "high-spirited" or "hot-headed" or all those other euphemisms that have been used.

Other words that might be used for such behaviour are out of control and out of order. To beat up a woman behind closed doors is bad enough, to do it in public is a sign of that you think you can get away with anything that normal rules no longer apply at all. It is no wonder that characters like Giggs may feel like that. Only 23 he will be, it is said. Britain's richest footballer by the time he is 30. He has money and talent to burn. Much of this money comes from sponsorship deals. He already promotes Reebok, Citroën cars, Fuji film and the meat substitute Quorn.

The only overt condemnation of his behaviour appears to have come to do with the damage he did to his ex-girlfriend Davinia Murphy. When Murphy appeared in a night-club, according to a witness "He (Giggs) just walked up and punched her in the stomach. Then he punched her in the face and dragged her back by the hair". Agent Eric Hall is supposed to have commented, "Hopefully this was a one-off and sponsors will probably turn a blind eye this time. But if he carries on, these are the sort of headlines that could endanger sponsorships."

That's terrible isn't it endangering sponsorships? Endangering women is apparently not worth commenting on.

Well, there is nothing we can do about the sports establishment. Davinia Murphy is not pressing charges. Leslie Ash having dropped the charges against Lee Chapman has been photographed kissing and making-up. If the women themselves won't do anything, then it's none of our business.

Yet cossetting footballers is precisely the business that managers, sports writers, agents and to some extent fans are part of. Young players such as Giggs are enormously indulged and protected at the same time. The peculiar kinds of male bonding that go on in team sports are seen to be fully acceptable, even heroic. If wives, girlfriends, families suffer for the game that is because at the end of the day the game is worth it.

The rock n' roll lifestyle that someone like Giggs is able to live is the stuff of teenage dreams. Last week, genuine rock and rollers Oasis were roundly condemned for swearing on the radio. Loutish verbalists at a time when children might be listening are considered beyond the pale. Breaking a woman's nose in public however is well... unfortunate.

When I wrote about Gazza suggesting that a known wife-beater shouldn't be in the England squad, many decent chaps explained to me that what men, especially talented footballers, do in their private lives is not relevant. This division between the private and public is of course what maintains the status quo, enabling domestic violence to be seen as an entirely personal rather than a political issue. However, these latest assaults on women are not going on in private. We all read about them.

Graphic representations of domestic violence, such as the one in Gary Oldman's brilliant film *Nil by Mouth*, are almost unbearable to watch. In the film the central character beats his wife to a pulp because he thinks she fancies someone else. Giggs is said to have been jealous of reports of his ex-girlfriend with another man. Men do this, they so often say, out of love. Some women believe this to be true, in which case, god help them. What *Nil by Mouth* makes horribly clear is that beating up women is related to other kinds of bullying that may or may not end in violence.

What then, are the links between bullying and the training of footballers? Why are so many of them out of control? What is it in the masculine code that allows one of them to break rank and condemn the behaviour of a wife-beater? I am sure that these boys are under pressure but that is not an excuse. Lots of other sportsmen are under pressure, lots of other people are under pressure and lots of ordinary people are under tremendous pressure without being cushioned by wealth and fame. It seems that the mythology of "pressure" itself contributes to the problem. Rituals that involve letting off steam are part of the camaraderie that surrounds football. Beating up women therefore becomes normalised, an instance of a lad going slightly too far, rather than being seen for what it is: a crime, immoral, and totally unacceptable.

As football has become domesticated, with less hooliganism and more literary kudos, it has now become a sport that women and children can enjoy. Fun for all the family. This other kind of violence appears to erupt from nowhere rather than being connected to the game. It is time to make those connections. It is no use having Zero Tolerance campaigns widely understood by the public, if in public, our soccer superstars behave like monsters.

If Giggs had made an unprovoked racial attack he would be in court by now. If we continue to turn a blind eye as well as the other cheek, then you can expect to see on the front of your newspapers more pictures of women with black eyes, broken noses and swollen cheeks. This is Fantasy football for you alright, the fantasy being that belting a ball across a field gives you licence to belt a woman across the face whenever it all gets too much to handle. It's a disgrace and those who claim to love the game are letting the side down badly if they choose to remain silent about it. The question is whose side are they on and whose side are they prepared to let down.



A stock market investor in Australia yesterday watching shares plunge: bad for him, good for the rest of us

Photograph: Reuters

How to learn to love stock markets even when they crash



**DIANE
COYLE**
FINANCIAL
SECURITY

All the old jokes have been wheeled out in the City of London, the ones that start with skyscrapers and end with the punch line: "It's raining brokers again tonight." A financial crisis is always great drama, complete with pictures of panicking, shouting traders and a grave chorus of dark-suited experts punctuating the news bulletins. But the fact that the reaction to this week's crash has slipped into the familiar routine of criticising the financial markets as irrational and destructive should not obscure the fact that they play an ever more essential role. In an increasingly insecure world we must learn to love the markets, wild, chaotic and tumultuous as they can be.

Let's make no bones about it. A stockmarket crash is a pain. But it should not turn us against financial markets, any more than you stop loving your toddler just because he's having a tantrum.

This might seem a contrary view to take at a time when even the high priest of financial

speculation, George Soros, has been expressing his concerns about global capitalism. In a speech he gave in Hong Kong last month Mr Soros warned: "I cannot believe that the present boom will not be followed by a bust until history has proven me wrong." Once again, the Great Speculator got it right.

His speech was billed as a riposte to the anti-market rantings of Mahathir Mohamad, the Malaysian Prime Minister who had called for a ban on financial trading. But the arch-speculator agreed with his arch-critic in one thing, saying the instability of the financial markets could cause serious social and economic dislocations. Mr Mahathir was voicing the frustration of being unable to connect the funny money of the billions gambled in the markets with the real world effects. "No real money is involved, only figures," he grumbled.

This is the common reaction. It was voiced yesterday by the great economist John Kenneth Galbraith. Psychology alone drives the stockmarket, he said, as much now as three centuries ago when the mania was for tulip bulbs rather than shares. It has nothing to do with what is happening in the real economy, yet the whims of the traders are allowed to damage the wealth of ordinary investors like you and me. Only up to a point, Professor Galbraith.

The first thing to note is that as stockmarket crashes go this one is - so far at least - a tidder. In October 1987 Wall Street lost nearly a quarter of its value in a single day and then fell some more. This tenth anniversary crisis is not over; but although it could match up to 1987's crash eventually, it is

nowhere near as severe yet. Secondly, by October 1988 shares in the US and UK had more or less regained their pre-crash levels, and, until this month, they had gained in value ever since. The 1997 crash starts from a much higher level of wealth. This has some connection with reality: it reflects the steady economic expansion of the past six years.

Even more relevant is the fact that many professional investors, the anonymous fund managers who look after the money invested in our pensions and insurance policies, have been prepared for a stockmarket crash for a long time. It has been clear for at least a year that Wall Street was being inflated by a speculative bubble. Alan Greenspan, the US Federal Reserve chairman, gave clear notice of this when he warned about the markets' "irrational exuberance" last December. Sensible, cautious investment managers - most of them have caution as their middle name - have been switching funds out of the overblown equity markets for months. They have been criticised for it too, for missing the last puffs of the speculative bubble. But they will have insulated the vast majority of their investors and policy-holders from the effects of the crash.

Individual investors will not be so lucky, and there are many more of them in America than there used to be. (In Britain, however, individual shareholding is not so widespread). The growth of mutual funds and the spread of stock options as a component of pay for executives has increased the exposure of individual Americans to the crash. There are two

straws of comfort. One, the lesson of history is that the bigger the boom, the bigger the bust. We should always be grateful for a crash because if it happened later, it would be worse. Two, the US economy has been growing so fast that the Federal Reserve was poised to slow down spending by raising interest rates. A gentle deceleration would have been preferable to an emergency stop, but the brakes were about to go on anyway.

In the western world, not since 1929 has stockmarket crash spelled economic disaster. In his classic history of financial crises, *Manias, Panics and Crashes*, Charles Kindleberger concludes that central banks have learned to supply extra credit to the financial system to offset the sudden contraction of share capital. This worked, if anything, too well in the aftermath of 1987 when credit policy was loose enough to light the touchpaper on the late eighties boom.

Crises in the financial markets are inevitable but also manageable. They should not distract attention from the fact that financial markets are essential for our well-being. Without them there would be little investment, because it is the

stock and bond markets that finance much of it. Just as important, the markets are a crucial tool for managing risk in an increasingly uncertain world. A crash makes it look as though those yelling traders are the source of financial risk. It's quite the reverse. Why has the strong pound not yet led to a collapse in British exports? Because many businesses have used the markets to hedge their foreign currency exposure for a year or two. Why are elderly people drawing a company pension so well off these days? Because their pension fund has invested in a growing range of financial markets to spread the risk and increase the returns.

Financial markets offer the only means we have of insuring against the future, whatever it may hold. The more intertwined the world becomes, the more complex and uncertain, the more we need the global markets. Those scenes of hysteria in dealing rooms over the past few days are entirely rational, because the traders are taking the risks for the rest of us. Individually some of them might be big losers on the day, but the rest of us are all gainers from the system their efforts keep in being.

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Tony and Gordon cast their magic spell over the Emu debate



**ANDREW
MARR**
DECISION ON
THE EURO

We are led by magicians. For years the great issue of British sovereignty and the single currency has riven the political nation. Parliament, the Tory party, the great ones of the media establishment, numerous think-tanks - all have been tearing and snarling, perspiring and retreating, as they struggle with the implications of that historic choice. Is the loss of political power at home worth the extra benefits of membership? Will it mean a convergent fiscal policy, and the start of a genuine

single European government? What about the effect of a single interest rate on different economies, and the pain that will be felt by the fringe, because of a policy designed for the golden centre of Europe? What about the necessary higher taxation to soothe the pain? What about History, Blood, Sovereignty, Honour?

And now - Zing! - it has gone. For the lifetime of the first Blair administration, all those "what abouts?" have disappeared in a flash. The great choice facing the nation is no more. It is an ex-issue.

The Chancellor declares that it is a matter of economics, not politics. Nothing will happen for years. Then there will be an election. Then there will be a referendum. The People will choose. They will look in the *Mirror* and be warmed by the *Sun* and listen to Tone and, in the end, everything will be fine.

Tony Blair said it in tabloid articles this week: "The Government is united, strong, facing up to tough choices and coming up with the right answers. The Tories are divided and taking decisions not in the national interest..." So that's all right, then. But what of this

tough choice in particular? Well the answer is this: if it is a good thing, we will do it, but if it is not a good thing, we will not do it. ("It would be folly for Britain to reject something if it were clearly in Britain's interests to accept it.")

And the nation, most of it, goes: oh, good. The pro-Europeans, though nervous about the wait, assume that we are on our way to Emu membership, while the antis, noting the conditions and the apparently far-away nature of the decision, cool down and even purr.

This is alchemy. To have both Rupert Murdoch and the great panjandrums of the EU acquiescent is a genuinely extraordinary feat. But someone is being fooled.

The someone, I believe, is Mr Murdoch and the other anti-EU forces in politics, business and the media. Because if the Prime Minister and the Chancellor, in between the soothing words and cautious elaboration of possible timescales, have both said they see no principled objection to abolition of the pound, then that event is brought nearer. Up to now, the overall direction of official British policy on mon-

etary union has been sceptical to the point of wilful blindness about what is going on on the continent: not Emu but Ostich.

Now, that will change. Ministers will meet regularly to plan our entry. There will be hundreds of business breakfasts, organised by Government. Lord Simon will begin to prepare the corporations for the huge changes they will have to make. In thousands of smaller companies, chief executives will call in their senior staff and demand to know what it will all mean for Rodgersoft Systems or Outcake International. The Bank of England will assume that monetary union is a distinct possibility, and set up working groups there. Manufacturers of tills, slot machines and public telephones will spend more time on redesigning for the possibility of entry.

Thus, with a broad wink, does a modern government stir up a great, if discreet, pulsation of behind-office-doors activity. The nearer we get to the next election, the more hours and money will have been invested across Britain in preparations for Emu. And that in itself will have a political impact.

People's energy will have been committed and - assuming that the currency has been introduced with reasonable order in France and Germany - their emotional enthusiasm for the change will follow. As corporate propaganda begins to build on the radio programmes and in the papers, it will start to seem somehow inevitable. The national fulcrum will move. By the election - again, assuming that there hasn't been monetary disaster on the continent - the opinion polls will already look very different and the anti-Emu forces will look out of touch.

That, anyway, is the political strategy that must lie behind this week's statement. Unless Brown and Blair have suddenly forgotten all their strategic thinking, they already know where they want to end up. If they are telling the nation to begin preparing to lose the pound, the end-point is obvious.

They don't want to make Emu the main issue at the next election, because to do so would certainly mean losing the backing of their best new chums in the media. But they do want to fight with the Conservatives as the anti-Emu party; that

means they intend to methodically reshape the battleground, public opinion, to their own advantage in the meantime. Expect a slow and steady build-up of pro-Emu propaganda from here on in, with Blair-Brown themselves keeping a prudent step or two behind as they guide the campaign.

As a strategy, it could hardly be clearer. Quite why this has escaped some of the pro-European commentators who are wringing their hands about Brown's speech beats me.

The Prime Minister, of course, is disappointing some of his friends yet again by being so apparently timid. This exercise won't raise his personal stature among them here, or on the continent. But it wasn't meant to. This sidling-towards-Emu-while-whistling-and-looking-the-other-way business is clever, not brave.

But, dammit, it is clever. One only has to look at the way in which the venomously xenophobic Murdoch press has been tickled and cozened to gape in admiration. In the end, of course, magic is trickery. But take your hat off to them - these people are very professional magicians indeed.

New York and London pull back from the abyss but Hong Kong's plunge continues

An extraordinary day on the world's stock markets saw Hong Kong plunge to its biggest ever fall, London pull itself back from the abyss and New York defy the doomsters with a dramatic return to form after its record-breaking collapse on Monday. Tom Stevenson, Danielle Robinson and Stephen Vines followed the roller-coaster ride through the time-zones.

It was over as quickly as it began. Dealers on Wall Street unexpectedly changed their minds yesterday afternoon and started buying shares as frantically as they had previously sold stock. The impact was immediately felt in London where a catastrophic early loss of almost 10 per cent was almost wiped out by the close of a breath-taking day's trading.

The FTSE 100 index, which had fallen as much as 458 points within half an hour of the market opening yesterday morning, closed only 85.3 points lower at 4755.4 as dealers gained heart from a massive reversal in sentiment on Wall Street. But the recovery in the Dow Jones index, up by more than 230 points at lunchtime in New York after an initial 186 point plunge, came too late to prevent a rout of Asian markets.

Hong Kong's Hang Seng index suffered its biggest ever one day points fall, wiping a further 14 per cent off the market and taking the fall since its peak in August to almost 50 per cent. Japan's Nikkei index also slumped by more than 4 per cent and other smaller Pacific markets such as Australia and New Zealand were even harder hit as they reacted to Monday's record-breaking fall on Wall Street.

The recovery in New York fuelled hopes that the collapse in markets around the world in recent days was nothing more than a short-term, if badly needed, correction and not the start of a damaging bear market.

It rejuvenated the London market after one of the blackest starts in its history. The fall of 457.9 points in the first half hour's trading was easily the worst nominal performance ever for the FTSE 100 index, almost twice the 250 point fall on the Tuesday of the 1987 crash even if it represented a smaller percentage fall.

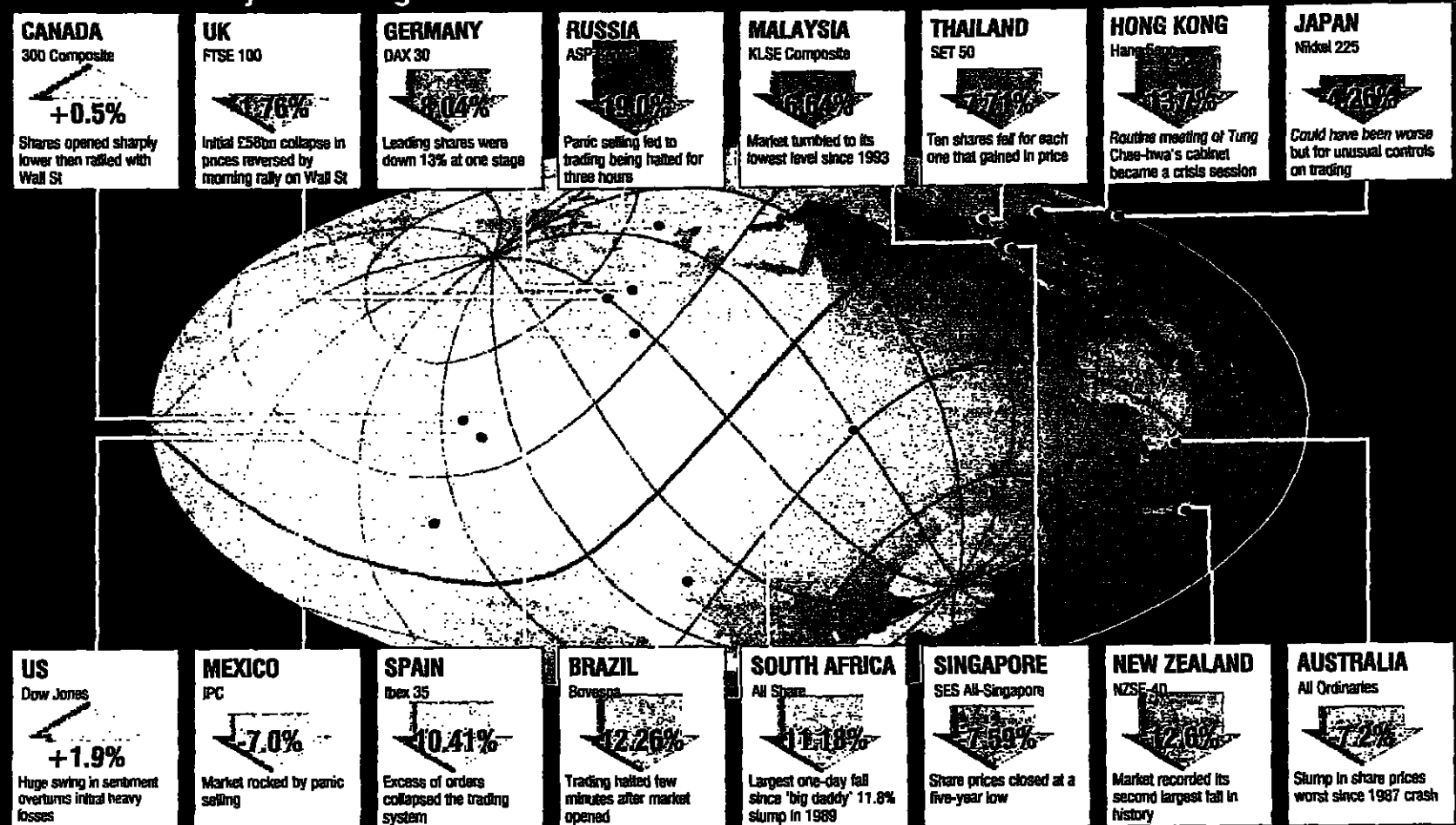
Halfway through the morning session, calm was restored as the feared panic selling failed to materialise and investors began to reassess economic fundamentals, especially the likelihood that a hike in interest rates would now be deferred. Analysts pointed to the relationship between the yield on equities and bonds which they said is much less stretched than it was ten years ago.

That confidence was mirrored on Wall Street later in the day, with analysts saying the US market had set the stage for a worldwide rally in stocks. The Dow Jones Industrial Average shrugged off Monday's historic plunge, making a spectacular 300-point turnaround from morning lows.

The S&P 500 was up about 9.27 points and the Nasdaq witnessed the most stunning about face from a 4 per cent plunge in the morning to a 30 point rise by lunchtime. The rise in the US reversed early dramatic falls in the hard hit Latin American bourses.

Although leading market analysts warned there could be weeks of wild market swings before the US and other world

A turbulent day's trading on stock markets around the world



markets really began a sustained recovery, investors were yesterday rushing in for gains in the US and are expected to follow suit in Europe today.

"The fundamentals haven't changed at all. We have just had this big blow-off, which is healthy," said Rob Reiner, portfolio manager at BT Investment International Equity Fund in New York. "We are now up substantially and that will cause a massive world rally tomorrow".

Reiner argued the plunge in US stock prices was a much needed blow-off of steam in a market that's done nothing but go up for the past two years. "We have not had a real 10 per cent correction off the highs since 1990 and Monday was a big chance to basically get it out of the way," he said.

Driving investors was the broadness of the rally and most particularly the spectacular rebound in technology stocks on the Nasdaq market. Also boosting yesterday's recovery was IBM's vote of confidence in

its stock by announcing it would buy up to \$3.5bn worth of its own shares in a buyback programme.

A growing view that the rout since last Thursday was a knee-jerk reaction to Asian markets rather than any fundamental change in the US's economic outlook also supported investors' resolve to jump back in for bargains.

The lack of any perceived panic by the millions of small US investors which have been behind the Dow's meteoric rise in the last several years also lifted confidence.

"We had a selling climax," said Phil Roth, senior technical analyst at Morgan Stanley Dean Witter. "That means it was an emotional liquidation of stocks and now we have a rebound from that emotional liquidation."

However, leading analysts warned investors in all markets globally to brace themselves for further wild rides in stocks. "I would argue... that just because the market is up doesn't mean that everyone can

go back into the water," said Walter Murphy, senior international market analyst at Merrill Lynch in New York. "This is just a pause in an otherwise still developing decline."

Although a bottom to the US market could be hit soon, history has shown that when markets suffer double digit corrections they can endure as much as three months of wild gyrations before embarking on a sustained recovery.

In Asia, panic selling had earlier gripped financial markets for the second day running as dealers waited for another signal from Wall Street. As the bad news tumbled in from all directions it was hard to find anyone who believed the worst was over.

The market tumble moved steadily through international time zones with traders in New Zealand having the first opportunity to respond to events in Wall Street. By the end of the day over 12 per cent was wiped off the value of New Zealand shares. Australia was next line and

saw the previous day's heavy selling topped by a further decline of more than 7 per cent, the biggest fall since the 1987 crash.

When the mighty Japanese market stirred, the authorities feared the worst and took international traders by surprise by bringing in measures to limit selling. Nevertheless the blue chip Nikkei 225 index slumped by 4.2 per cent, taking the Japanese market to its lowest point since July 1995.

The real carnage was seen in Hong Kong, however, which had earlier triggered the Wall Street collapse. The Hang Seng index limped into the record books with its biggest one day points fall of 1,438 points, taking the market down by almost 14 per cent. At one point the market dipped right down to 8,775 points before closing at 9,059. Hong Kong shares have lost 30 per cent of their value this month.

In percentage terms, yesterday's performance in Hong Kong marked the third highest fall on record, coming below the 33 per cent fall which followed Black Monday in 1987 and the almost 22 per cent fall which greeted news of the Tiananmen Square massacre in 1989.

"It was worse than people expected", said Howard Georges, the vice-chairman of the South China Brokerage, "but no one thought we were going to get away lightly today".

Special circumstances in Hong Kong provided grounds for particular concern, with worries mounting that the property market would take a major tumble. Transactions have virtually ground to a halt and most property analysts expect values to fall by a third or even more.

As property underpins the local stock market, the outlook for share prices remains bleak despite the rally in New York.

Market report, page 25

Venture capital funds worry hi-tech bubble has burst

The storming performance of hi-tech stocks was one of the main drivers behind Wall Street's surge this year, with shares in companies like Dell Computer rising five-fold in a year. But with the route to lucrative stock market flotations now looking tougher, will US venture capital funds fight shy of backing new technology businesses? Nigel Cope, City Correspondent, reports.

Leading hi-tech stocks in the US have been the equivalent of financials in the FTSE 100 this year with prices rising relentlessly until the last few weeks. In addition to Dell Computer's meteoric rise, shares in Compaq Computer trebled between last October and their peak last month while Microsoft rose 120 per cent and Hewlett-Packard climbed 65 per cent.

But with these stocks well-off their recent peaks there is a growing nervousness that if the hi-tech bubble has burst, the consequences will be serious for the US venture capital funds which rely on the flotations of hi-tech companies to realise their investments.

The view from London was gloomy yesterday. Neil MacDougal of Prudential Venture Managers said: "I would have thought it would affect sentiment quite severely. These funds rely on IPOs [institutional placements] on Nasdaq to get their liquidity".

Some hi-tech offerings have achieved extraordinary success in recent years and achieved wild valuations. Netscape, the computer software company, was one example. When it floated on Nasdaq two years ago it was 16-months old, run by a 24-year-old and had never made profit. The shares, expected to start trading at \$13, hit \$50.

Running parallel to this has been a marked increase in the perceived rate of return for new business ventures hinted at in the most recent testimony by Alan Greenspan, the head of the US Federal Reserve. It had started to look like a dangerous spiral.

But in San Francisco the outlook was more sanguine yesterday. Joe Josephson, managing director of the Deutsche Morgan Grenfell Technology Group in California, said much would depend on how the markets settle down. "If this is a hiccup then I don't think this changes very much. But if the market falls out of bed then it will. My view is that we've only had a bad three days. Yesterday just confirmed that gravity exists."

Mr Josephson said the quality of US technology companies should not be underestimated. "The values in the technology sector are real. It's not just puff. The AOLs, Intels and Microsofts are amazing companies that have created real value and the technology is changing rapidly."

"It is hard for the stock market to value these companies that are growing so fast. Valuations in the Valley [Silicon Valley, in the Bay area of San Francisco] have been expanding rapidly. And for a while venture capital companies were making a 300 per cent return. But then the entrepreneurs got wise to how much their businesses were worth."

Mr Josephson said the market would be buoyed by money coming in from Hong Kong as "people fly to quality". However, he said the new issues market would be affected. "I don't think you'll see a lot of new issues in the coming weeks."

HOW THEY SEE THE DAY'S TRADING

"We have incited trouble globally,"
Kent Rossiter, Nikko Securities in Hong Kong

"The worst thing is no one knows where the bottom lies."
Dealer in Singapore

"This is a case where you should sell until you can sleep."
John Mangun, IB Gernenez Securities, Manila

"I'd call this controlled frenzy."
Frankfurt bourse dealer.

"The fundamentals haven't changed at all. We have just had this big blow-off, which is healthy."
Rob Reiner at BT Investment New York

"No one felt panic yesterday because there's so much cash around."
Fund manager in London

"This was a valuation correction, not a crash. If anything we'd be tentative buyers."
Vanessa James, director of UK equities at

Legal & General.

"This is not a crisis of confidence, but a reassessment of the value of some of the equities markets."
Mike Grinble, Investment strategist at Norwich Union.

"We took the view that the market was good value yesterday. The situation is different from 1987."
Bob Semple, a market strategist at NatWest.

Flotations and paper-funded deals could be under threat

The turmoil in the world's stock markets is likely to take its toll on company flotations and paper-funded deals. However the fall in the price of shares may provide a good opportunity for cash-rich corporates to launch takeover bids. Andrew Yates, Nigel Cope and Chris Godsmark report.

Volkswagen, the German car giant, became the first casualty of the commotion in the world's markets when it was forced to postpone a DM17bn (£2.4bn) share issue.

"In the light of developments in world capital markets, the management board of Volkswagen have decided to postpone the planned capital hike. The subscription period for the new ordinary shares will not be as planned on Thursday," VW said in a statement. It could be the first of many

deals to bite the dust if share prices continue to fall. Perhaps the biggest deal to be hit by the turbulence is WorldCom's \$30bn (£17.9bn) all-share offer for MCI, the US long distance telecommunications giant.

WorldCom's bid was based on its own share price dropping no further than \$34, but during Monday's market plunge it fell more than 8 per cent to \$31 and was falling further in afternoon trading in New York yesterday.

The plunge meant WorldCom's bid had fallen close to the competing \$28bn cash offer for MCI from GTE, which has a fixed price. WorldCom last night insisted its bid remained as attractive as ever. The company hopes GTE will find it harder because of market uncertainty to raise the billions of dollars of debt needed to finance its bid.

Meanwhile in the UK, Energis, the telephones group owned by National Grid, is pressing ahead with its December flotation plans despite the market plunge. However the anticipated £1bn float price for Energis could be hit if market

confidence continues to fade.

Plunging share prices in the Far East combined with the fall in the value of local currencies also threaten to hit profits at Guinness, which is in the throes of a £24bn merger with Grand Metropolitan, and at LVMH, Bernard Arnault's French luxury goods and spirits group, which are among the biggest spirits suppliers to the area.

Merchant bankers said the stock market fall would affect the prospects of flotations but might increase the level of merger and acquisition activity, particularly for businesses seeking cash deals.

One said: "Those with cash-rich deals in the market will be looking good. And for cash-rich companies looking for acquisitions in the UK, the fall-off in the market is helpful."

This is what happened after the 1987 crash when there was a bout of corporate activity which included Sears making its £48bn bid for the Freeman's mail order business and General Cinema building its stake in Cadbury Schweppes.

After the morning's dramatic falls in London, all eyes turned west to Wall Street to set the tone for the afternoon's trading. Lea Peterson gauged the City's mood from Nomura's equity trading floor.

At lunch time yesterday, experts were predicting a tricky morning on the New York Stock Exchange. "From comments we have heard from New York last night and this morning, we are anticipating a weak opening," said Tim Huddart, UK equity strategist at Merrill Lynch.

On the trading floor at Nomura, the giant Japanese bank, dealers' jitters were clearly evident in the run-up to Wall Street's kick-off at 2.30pm London time. Between 2.25pm and 2.30pm, the FTSE 100 lost almost 50 points to stand 423 points down on the day, and traders sat at their screens, barely uttering a word. One placed his head in his hands; another gnawed at his fingers. "Our boys in the States are



Facing a difficult day: Changing expressions among traders at Nomura in London as the markets gyrated yesterday



Photographs: Andrew Buurman

nervous," commented one trader to another. When Wall Street opened, the doomsday scenario predicted by some failed to materialise. The Dow Jones index, far from plunging, barely moved - at 2.35pm, it was just 10 points down. The FTSE 100 began to cut its losses, and dealers at Nomura breathed a sigh of relief. "I would have expected

the US to open a little weaker than it has," admitted Sonja Gibbs, senior market strategist. Dealers' nerves were far from being calmed, though. Twenty minutes later, the Dow

was 134 points down, and the FTSE 100 began to fall again. One trader, absorbed in conversation with friends, looked up, saw the screens and dashed across to his desk.

Unpredictably, the atmosphere was pierced at by a spontaneous cheer erupting across the floor. The cheers were not for a rally in the Dow, but for the results of a sweepstake. The winner, who had guessed the level of the Dow at 3pm, proudly grasped his winnings.

His euphoric mood, though, did not last long. At 3.05pm, the Dow temporarily slid through the psychological 7,000 barrier, and traders were once again staring nervously at screens.

But dealers were not kept on tenterhooks for long. The Dow was soon back up above 7,000, at the beginning of a quite remarkable rally, and the fall in the FTSE 100 was slashed to just 85.3 points at the close of business in London.

What dealers can expect today is anyone's guess. "Although we seem to have stabilised for the day, I do not necessarily think that all the selling is over," said a cautious Ms Gibbs.

Markets summary appears on page 24



OUTLOOK ON THE NEW FINANCIAL SERVICES AUTHORITY, THE BANK OF ENGLAND'S ROLE AND TROUBLES AT GLAXO

A regulatory one-stop shop means trouble

So, the Financial Services Authority it is. Hardly a name to conjure with or to set the pulse racing. At least SuperSIB gave the impression of purpose, the suggestion that it might be an organisation to get things done.

Howard Davies would argue, rightly, that the name is not the important thing, but how well it operates. Sadly, on that front too, yesterday's launch left too many unanswered questions. In scope and structure, the FSA is still a leap in the dark, open to some obvious objections and containing some very clear flaws.

Scope first. It is inexplicable that a so-called unified regulator should not consider two of the most important financial products in most people's lives - mortgages and occupational pensions - to be within its remit. It is wrong that a loan which is sold to even the most financially illiterate and worth as much as three times their salary should fall between the regulatory cracks in this way.

Likewise, occupational pensions. The creation of a mega-watchdog was surely the opportunity to put the oversight of company and personal pensions under the same roof. To claim that it made no sense to disband the Occupational Pensions Regulatory Authority (OPRA) because it had only just started doesn't make sense when perfectly good established regulators are being absorbed in the name of unity.

Structurally, the FSA is still an accident waiting to happen. For two years now staff will join a nominally unified regulator but legally and de facto operate within the ex-

isting fractured system. "Hideously complicated" was how one senior regulator described the new regime.

Long after the industrial conglomerate was seen to have had its day, the regulatory one-stop shop is about to be born. Like the now disbanded commercial dinosaurs, it will have to cope with the lack of focus inherent in a complex matrix of conflicting chains of command and a range of widely divergent industries to regulate. By sticking to the old guard, Mr Davies has also created a potential hotbed of intrigue as the old rivalries settle into the new order.

All of that is manageable, though even the McKinsey trained Mr Davies admits it will be a challenge. What is much more problematic is whether the FSA can realistically be a pro-active regulator when it is so distracted by its own navel. We can only hope the next Barings scandal holds off a while.

A stepping stone for the Bank

The Bank of England Bill which emerged from the Treasury last night is a landmark in the history of monetary policy-making and banking supervision. But it is also probably just a stepping stone. If Gordon Brown, the Chancellor, is as good as his word, he is going to have to move much further down the road towards full bank central bank by the end of this parliament.

He has promised to prepare for monetary union, and under the terms of Maastricht, that means a more independent central bank than the one envisaged in this bill.

Ministers will continue to have the final say over rates in "extreme circumstances" and in practice the Chancellor continues to make all the key appointments, either directly or indirectly. The Chancellor also remains responsible for setting the inflation target which, as Kenneth Clarke has repeatedly pointed out, effectively raises the ceiling on "acceptable" inflation from 2.5 per cent to 3.5 per cent.

As the Bank freely admits, the level of operational independence granted by the new bill will not be enough to qualify Britain for monetary union under the Maastricht Treaty. Reform would be necessary just to qualify for membership. On actually joining, the Treasury would have to give up its control over the inflation target to the European Central Bank, which will target other monetary indicators as well before setting rates. The "reserve powers" allowing the Treasury to set rates would also have to go. But the biggest change would be in the role of the Governor, who will no longer be classed as a "delegate" of the government and would become fully independent. His powers would be unfettered, even by the ruling Court of Bank of England itself.

So how long before we see a replacement Bank of England Bill, dealing with all this unfinished business? The Government has said it will not be making a decision on whether to join monetary

union this parliament so in theory nothing has to be done this side of the election. Given Mr Brown's commitment to get preparations underway before then, however, the new legislation could appear sooner than we think.

Personalities clash at Glaxo

Losing three senior executives in less than a decade looks like more than just carelessness. Glaxo Wellcome, which yesterday announced the departure of chief executive designate Sean Lance, is hardly a troubled company. It is one of our standard bearers for Britain, is soundly financed and is growing nicely. Mr Lance was chosen carefully after 12 years at the company and groomed extensively for his new responsibilities. It is doubly strange, therefore, that Glaxo's board has decided after all this effort that he is not up to the job.

The real problem - as ever in these situations - seems to be a clash of personality between chief executive and chairman. While this falling out has obviously been conducted with better grace, in a less open and generally more professional way than at either United Utilities or Cable & Wireless last year (Mr Lance has not run off with the chairman's secretary, as far as we know), it doesn't look good, all the same.

Most likely, the sober, quietly spoken

Mr Lance was just not able to stand up to the charismatic Sir Richard. While this was always a danger, given how emphatically Sir Richard has stamped his mark on the drug company in the last few years, Glaxo has certainly made things worse for itself by instituting an overly-complicated board structure.

By creating a chief executive alongside an executive chairman the risk was always that strategic responsibilities would blur and operational empires clash. This may just about be excusable, but it is not a good sign in a company as large as Glaxo. The company need only to look at its own recent history under its former chairman Sir Paul Girolami to see where this path leads. Sir Paul proved to be incapable of working with any chief executive. Glaxo was his baby and he was determined to hang onto the reins of power. Not even the appointment of a non-executive deputy chairman, the well respected Sir Roger Hurn of Smiths Industries, was capable of making the peace between the two sides in this latest falling out.

To restore confidence in its corporate governance procedures, the company may have to rethink its board structure. Glaxo remains by many measures a great company and it has been led in an inspired fashion by Sir Richard. But for a chairman to be incapable of working with his own chosen chief executive smacks of trouble. Boardroom rows like this may be common enough at smaller companies like Cure First, but they are not meant to happen in a company as mature and big as Glaxo.

Lance snubbed for top job at Glaxo Wellcome

Sean Lance, who was being groomed as Glaxo Wellcome's next chief executive, resigned unexpectedly last night.

The news that he had been passed over for the top job on the board sparked rumours in the City that there had been a boardroom clash with Sir Richard Sykes, the drug giant's forceful chairman and chief executive. Sameena Ahmad reports.

In what appears to be a last minute change of heart, Glaxo said yesterday that it was instead appointing Robert Ingram, previously in charge of North and South America, as chief executive with immediate effect, replacing Sir Richard who remains executive chairman.

The decision, described by one fund manager as "a complete bungle," has raised concerns among institutions about Glaxo's boardroom structure.

It comes just nine months after Mr Lance was appointed as chief operating officer with a view to grooming him to succeed Sir Richard as chief

executive by next May. Glaxo is currently negotiating compensation with Mr Lance, who was on a two-year rolling contract earning £550,000 this year.

His departure is the third time that the drug giant has dismissed a top-level executive in the last 10 years.

A spokesman for Glaxo said that the board's decision not to appoint Mr Lance was unanimous and was not the result of impropriety or differences over strategy.

"Since January it has become clear that things weren't working out. Being chief executive of Glaxo is a major role. Our decision was taken very seriously. We think it is far better to take it now," said the spokesman. "The board saw an outstanding candidate in Bob Ingram."

However, those close to the company suspected a personality clash, with Mr Lance unwilling to take a back seat to Sir Richard. Others suggested that Mr Lance had a lack of gravitas in presenting the public face of the company.

"Glaxo made a mistake. Sean Lance didn't cut the mustard," said one observer.

Another added: "He did not make a good impression in meetings and didn't seem to have a full grasp of the company."

Others argue that South African-born Mr Lance, who joined Glaxo in 1985 to become marketing director in every region outside the Americas, was unwilling to bow to Sir Richard's strong personality. "I don't think we'll ever know the truth," said one analyst.

A leading fund manager said the news raised questions about Sir Richard's role as executive chairman and the future of Mr Ingram, also known to be a forceful personality.

"We have seen how difficult it is for a chief executive to make decisions with an executive chairman around. I have a lot of faith in Sir Richard, he's an excellent manager. But there is still a serious issue of who is in control of this company."

Glaxo's previous chairman Sir Paul Girolami fell out with two chief executives, Bernard Taylor and Ernest Mario.

In turbulent markets, Glaxo's share price closed down 30p to 1180p.

In addition to his appointment as chief executive, Mr Ingram, 54, who is well known to US institutions, but relatively unknown in the UK, takes over Sir Richard's role as chairman of Glaxo Wellcome Inc, its US operations and Nippon Glaxo in Japan.

Chancellor christens new regulator the Financial Services Authority

Gordon Brown, the Chancellor of the Exchequer, yesterday launched the City's long-awaited super-regulator and christened it the Financial Services Authority. As Andrew Verity reports, the new regulator already wants to take over the authorisation of all financial advisers and crack down on share price manipulation.

Mr Brown said the name "Financial Services Authority" was "clear, straightforward and easy to understand, exactly the way we want to see the new regulator viewed".

He added: "The Financial Services Authority will bring more effective and more efficient supervision, giving both firms and customers more confidence in the system."

The new regulator, first announced in May, will take over responsibility for supervising banks from the Bank of England. It will also end the system of self-regulation for financial services, currently governed by more than eight bodies.

A Bank of England Bill was published yesterday to coincide with the new regulator's launch. The bill's main purpose is to give the bank independent control of day-to-day setting of interest rates. But it will also hand over responsibility for banking supervision to the new regulator.



Howard Davies, chairman of the FSA, yesterday. He wants to be able to prosecute share ramping. Photograph: Nicola Kurtz

A Financial Reform Bill, designed to put the new regulator on a statutory footing, will be published early next year. The Government hopes the bill will have Royal Assent by early

1998, paving the way for a new financial services regime by the end of 1999.

Howard Davies, the regulator's chairman, said the new regime would allow better protection of consumers and would be more efficient than the current, disparate regime. In the first proposal, the

Financial Services Authority (FSA) would be able to prosecute people suspected of manipulating share prices under civil law. Hitherto, it has proved impossible to crack down on share ramping, which falls short of the legal definition of insider dealing. The second proposal will give the FSA the sole

power to authorise individuals to conduct investment business.

Despite the emphasis on a "single, statutory regulator", Mr Davies said there were no proposals for the FSA to regulate occupational pension schemes. He also said ministers had yet to decide whether the FSA would regulate mortgages.

L&G chairman to take over at United Utilities in March

United Utilities yesterday ended months of speculation by announcing that Sir Christopher Harding, chairman of Legal & General, was to take over from Sir Desmond Pitcher as chairman of the multi-utility group.

But as Chris Godsmark, Business Correspondent, reports, big shareholders were surprised and angered that Sir Desmond would stay in the post until March.

Sir Desmond bowed to the inevitable yesterday and agreed to end his controversial reign as executive chairman of United Utilities. But he stunned some investors by managing to hold on to power until 31 March 1998, having resisted pressure from most institutions who had urged him to leave by the end of this year at the latest.

One big shareholder said: "He could have gone earlier than this and should have done so. He is just bloody-minded and had to cling on to power as long as possible."

Investors were also surprised when it emerged that Sir Desmond was expected to depart from United's Warrington headquarters with a pay-off of more than £600,000. He is on a two-year rolling contract, with a basic salary in the year to last March of £310,000.

The pay-off comes as United is "vigorously" contesting a High Court claim for damages of up to £2m from Brian Staples, its former chief executive who resigned after a high-profile boardroom rift with Sir Desmond in the summer. Mr Staples, who is also taking United to an industrial tribunal, is seeking extra compensation for bonus and share option packages.

As expected, United downgraded Sir Christopher's job to a non-executive chairmanship after criticism that company, under Sir Desmond and Mr

Staples, had been controlled by two warring chief executives. Sir Christopher, a former chairman of British Nuclear Fuels and BET, the business services group taken over last year by Rentokil, will join United as deputy chairman and chairman-designate from 1 November. Sir Christopher also resigned last night as a non-executive director of the Energy Group, owner of Eastern Electricity.

Both Sir Desmond and Sir Christopher could not be contacted yesterday. However, company sources claimed Sir Christopher was the first choice for the post and had been unanimously backed by the board. But one big shareholder said there were three candidates and the outcome had not been a foregone conclusion.

However, Sir Christopher was welcomed by investors as a "big hitter". Another institution said his first task should be to improve contact with shareholders. "We need a new era of openness." The news boosted United's share price, which closed up 2p at 730p.

Ofwat insists shareholders should pick up cost of leakage targets

The privatised water companies were last night facing further confrontation with the industry regulator over tough new compulsory targets to reduce leaks next year by almost 18 per cent.

Ian Byatt, the water regulator, warned that the companies could not expect to recoup the cost of leakage reduction programmes when a new five-year price control starts in 2000. Mr Byatt has previously said customers should see a big one-off cut in bills to compensate for the hefty dividend increases from the companies.

"There should be no question of them raising bills... the cost should be picked up by shareholders," Mr Byatt said. The new targets, the first mandatory ones in the industry, would see average reductions of 17.5 per cent for the 10 privatised water and sewerage companies from April 1998. If they fail to meet the targets they could ultimately lose their operating licences.

Thames Water, which has the biggest leakage rates, said it would bring forward its £200m investment programme from three and a half years to

two years, to meet the 19 per cent reduction target over this year's leakage figures. Company sources indicated it may ask for the investment to be reflected in bills in the new price regime.

Hyder, the multi-utility group which owns Welsh Water, said Mr Byatt's comments were "nonsense". Nigel Annett, head of strategy, said extra environmental gains from leakage cuts which were not paid for out of savings in water resources should feed through to bills.

The group also attacked the comparison tables of leakage rates by Ofwat, the water watchdog, which looked at leakage per household. Mr Byatt said he was "very concerned" about Welsh Water's leakage rate, which was second only to Thames.

Mr Annett said he was "very unhappy" with the comparisons, which did not take into account the longer length of Welsh Water's pipes in rural areas. "This is a daft way of measuring leakage," he added. But Mr Byatt insisted the new targets, which follow the Government's water summit after the election, were realistic.

— Chris Godsmark

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THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

Bellway builds on housing recovery

Bellway, the Newcastle-based house-builder, exceeded all market expectations with a 56 per cent leap in profits to £50.3m in the year to July. But against the black background of the stock market slump, investors were rewarded by a 5.5p fall in Bellway's share price to 367.5p.

The second-half improvement included an exceptional profit of £1.4m on the sale of Wainhomes. Without it, pre-tax profits rose 52 per cent, exceeding the 45 per cent improvement at the half-way stage.

Turnover rose by more than 30 per cent to £398m but margins increased from 11.5 per cent to 12.8 per cent and unit sales rose by 18 per cent to 5,002 homes at an average price of £77,200, itself an increase of 9 per cent.

The decision three years ago to shift the balance of the business towards London and the South-east has paid off handsomely.

The acting chairman, Howard Dawe, who took over after the death of the chairman, Kenneth Bell, says there are signs that the recovery in the housing market in the South-east is levelling out but the improvement is now spreading to other parts of the country and the group's national coverage leaves it well placed to benefit.

Over the last year Bellway's land-bank increased from 13,000 to 14,000 plots with planning permission and the group has since signed a joint-venture agreement with Sheffield City Council for the redevelopment of an area with around 1,000 more homes.

Bellway had £9.5m in the bank at the end of July, helped by the £15m placing last November. Apart from the ritual complaint about delays in getting planning permission, the outlook for the sector still seems bright, with homes and mortgages still affordable.

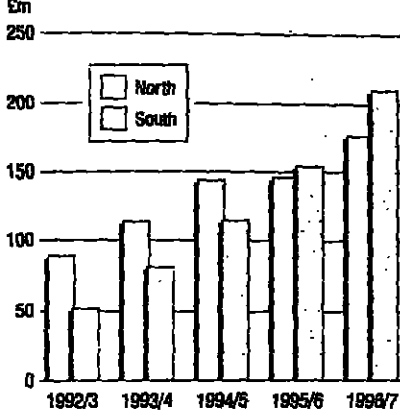
Analysts yesterday pushed their forecasts for the current year up from £50m to £55m and earnings of 35p a share, with £64m profits pencilled in for 1999. They now stand only 20 per cent above the January low point and 10.5 times prospective earnings for the current year. Buy as soon as the dust settles.

Bellway: At a glance

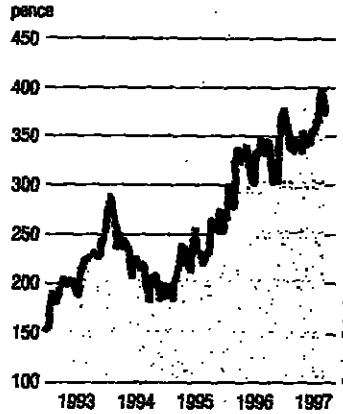
Market value: £384.4m, share price 367.5p (-5.5p)

Five-year record	1993	1994	1995	1996	1997
Turnover (£m)	147	201	267	306	398
Pre-tax profits (£m)	18.7	28.0	34.0	32.2	50.3
Earnings per share (p)	10.7	17.3	21.4	20.0	31.4
Dividends per share (p)	6	7	7.70	8.2	9.2

Divisional sales



Share price



MY warns of fall in demand

Making plastic strawberry punnets and corrugated board wrapping for computers sounds like a tough business on which to turn a decent margin. But MY Holdings, the specialist packaging group, has consistently produced impressive results by cornering niche sectors. Until yesterday, that is, when the group warned that reduced customer demand and extra investment costs would constrain profit growth this year. In plunging markets, MY's share price spiralled down 5p to 82.5p.

The problem is industrial packaging, which represents around a third of MY's total sales. Though only a small part of MY's industrial division is real low-end commodity packaging, the sort of corrugated wrapping that goes around TVs, MY has been affected by aggressive price cutting as rivals like Rexam and Smurfit have

battled to retain customers who are being squeezed by the strong pound. Rather than cut prices to the bone, MY has let customers go, leaving sales in the division down from £32m to £28m in the year to August with profits at £1.9m (£2.7m).

MY's food and consumer arm, a higher-margin business, also suffered from pricing pressure plus the wet summer, but sales at least grew, up to £37m from £34m.

Healthcare packaging is the big hope. Profits in the year rose from £4.5m to £6m on sales at £22.4m (£21m). MY has relocated and upgraded two factories, pushing up costs. MY still looks strong on fundamentals. The company has good cash flow, some £7m of cash and its largest shareholder, the South African group Malbak, is gradually reducing its shareholding, improving liquidity. However, given unkind markets, investors should hold off. House broker Albert E Sharp has downgraded full-year profit forecasts from £15.5m to £14.4m. This puts MY on a rating of 11 times. Fair for now.

Liberty family criticises board for backing Cassidy

The board of Liberty, the up-market Regent Street retailer, yesterday rejected calls from the Stewart-Liberty family to oust the chairman, Denis Cassidy. The issue will now be settled at an emergency meeting where the family's large shareholding, combined with that of rebel investor, Bryan Myerson, is likely to ensure Mr Cassidy's defeat. Nigel Cope, City Correspondent reports.

The Liberty board said it "unanimously rejected" the proposal to remove Mr Cassidy from his position. The board also rejected proposals to appoint Odile Griffith, the Stewart-Liberty family's financial adviser, and Mr Myerson as directors. The board said the proposals were not in the best interests of the company, adding that it would write to shareholders in due course setting out its position in more detail.

The rejection of the proposals followed a board meeting late on Monday evening which considered the proposals of the family. With the family and Mr Myerson holding 44 per cent of Liberty shares between them, Mr Cassidy's defeat appears a foregone conclusion. In addition to these holdings, the extended Liberty family accounts for a further 17 per cent of the stock, though their stance on an increasingly messy affair is not yet known.

Representatives of the Stewart-Liberty family yesterday criticised the board for wasting shareholders' money in fighting what it described as a lost cause. They said the cost of advisers' fees, the preparation of circulars and the staging of the EGM would cost around £500,000. "It seems a fantastic waste of shareholders' money," a spokesman said.

The spat between Mr Cassidy and the Stewart-Liberty family moved to an industrial tribunal hearing yesterday. Richard Stewart-Liberty, a descendant of the stores' original founders, is suing the company for wrongful dismissal. He was in charge of branded products at the company but left shortly after Mr Cassidy was appointed

chairman in June 1995. The maximum compensation he can be awarded is £25,000. A verdict is expected tomorrow.

Some Liberty insiders questioned yesterday why the Stewart-Liberty family is acting in concert with Mr Myerson, the rebel South African investor. The family clashed with Mr Myerson several years ago over his plans to modernise the company.

Some within Liberty feel Mr Myerson's agenda may be very different from the family's and could wrench the Liberty business from the family after 120 years. Another possibility is that Mr Myerson would favour a sale and leaseback of the valuable mock-Tudor building on London's Regent Street. Mr Myerson holds his share in Liberty in a private capacity. But his UK Active Value Fund has participated in several long-running battles with incumbent boards including Aquascutum, Scholl and Signet, the former Ratners jewellery business. In the case of Aquascutum and Signet he was in favour of a sale of all or parts of the business.

Liberty shares, which stood at 420p a year ago, closed unchanged at 327.5p yesterday.

Community Hospitals in talks on acquisition

Community Hospitals has agreed to acquire a 20.9 per cent stake in IBH from Bupa for £5.6m. Community Hospitals said it is in discussions with the board of IBH which may or may not lead to an offer for the entire company. IBH's principal activity is the ownership and operation of acute medical and surgical hospital facilities. In the year to September 1996, IBH reported turnover of £37.8m and profit on ordinary activities before tax of £1m.

Airtours opens in Poland

Airtours, one of the UK's largest tour operators, said its Scandinavian division, SLG, will start tour operations in Poland next year. It said the Polish operation will be marketed under the direct sell brand Ving, with holidays for next summer on sale from January 1998. Ving Poland will operate from Warsaw and launch its charter programme from there to SLG's existing holiday destinations which include Majorca, the Canary Islands, Greece and Turkey. "There is huge potential for outbound charter tours from eastern European countries," said SLG's chairman, Christer Sandahl.

Sterling hinders engineers

The latest survey by the Engineering Employers' Federation showed mounting problems caused by the strength of sterling. Domestic orders rose slightly but growth has stabilised and export orders fell for the third successive quarter. Capital investment plans are marginally down.

Branson float goes ahead

Plans for listing Virgin Express, Richard Branson's low fares airline, in Brussels and New York will go ahead in spite of the turmoil on world markets a spokesman said yesterday. Virgin is offering 2.14 million new shares, plus a reserve of 321,000 in the event of over-subscription. The shares will be priced in the second week of November and the issue will raise between \$90m and \$105m (£54m to £63m). After the float Virgin travel will hold 53.4 per cent of the company, the employees 2 per cent and the public 44.6 per cent.

Gearbox deals signed

Antovon, the automatic gearbox maker, said it signed agreements with four car manufacturers, Daewoo, Hyundai, Kia and Mahindra. The combined production in 1996 of these four manufacturers was over 2.5 million vehicles. Prototypes are expected to be available to the four manufacturers for evaluation in the first half of 1998.

HIT looking to expand

HIT Entertainment, the cartoon distributor which came to the main market in August, is on the look out for acquisitions in the licensing and merchandising sector. The company, which owns the rights to cartoons such as Percy the Park Keeper and Bramble Hedge, is hoping to expand into licensing and merchandising within six months. HIT made profit before tax of £70,000 between January and July this year, compared to £79,000 between January and June last year.

Friendly buys 13 hotels

Friendly Hotels has agreed terms with US group Choice Hotel International to acquire a portfolio of 13 French, German and UK hotels for £16.1m. An initial £13.6m will be paid by issuing new unlisted convertible preferred shares in Friendly. Following the acquisition, Friendly will own, manage and franchise more than 240 hotels in Europe in 10 countries.

High hopes at refitter

Campbell & Armstrong the specialist in refitting and refurbishing commercial premises, has high hopes for business in 1998, on the back of its contract to install in-store financial centres for Tesco supermarkets. But turnover in the six months to the end of July was down 4 per cent to £12.44m and losses were only halved to £880,000 in spite of a cost reduction programme saving an estimated £1m a year and an improved performance from the lighting and display division.

Zeneca sales weakened by strength of sterling

Zeneca, the drugs to agrochemicals giant, has become the latest company to be hit by the continued strength of sterling. Sales for the nine months to September fell 5 per cent to £3.95bn as the strengthening pound masked gains in volumes sold, particularly in pharmaceuticals. However, in constant currency and excluding disposals, Zeneca said that revenue had risen 10 per cent.

In a bland trading statement, Zeneca said that sales in the group's core pharmaceutical group rose 14 per cent to £1.8bn excluding currency effects, with sales of products launched in the last two years growing strongly and accounting for 19 per cent of sales. The company said that annual sales growth would be "at least in line with current performance".

Sales at Salick, Zeneca's cancer clinic chain in the US, rose by 19 per cent to £82m, however, there was no breakdown of profits at the division, which has been falling returns.

Agrochemical revenues rose an underlying 7 per cent to £1.4bn, with strong growth in Latin America offset by declines in Asia due to the volatile economic conditions and poor weather. The company said this could leave growth for the year slightly lower than current performance.

Zeneca's other speciality chemicals division showed reasonable growth, with underlying sales 6 per cent ahead to £802m driven by strong growth in specialty colours and life science molecules. Shares in the company ended 26p down at £18.88.

- Sameena Ahmad

STOCK MARKETS

Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	4755.40	-85.30	-1.78	5330.80	3900.40	3.65
FTSE 250	4528.40	-239.20	-5.02	4963.80	4348.10	3.52
FTSE 350	2296.40	-56.80	-2.41	2555.30	1948.20	3.63
FTSE All Share	2248.95	-58.97	-2.56	2492.31	1925.79	3.60
FTSE SmallCap	2257.5	-105.40	-4.46	2408.20	2128.40	3.27
FTSE RealEstate	1225.2	-62.70	-4.87	1346.50	1198.70	3.43
FTSE AIM	965.4	-42.90	-4.24	1138.00	1003.80	1.03
Dow Jones	7364.27	-114.68	-1.56	8258.31	6972.73	1.84
Nikkei	16312.85	-725.67	-4.26	21416.12	17015.78	0.92
Hang Seng	9059.89	-1438.31	-13.70	16573.27	10426.30	4.59
Dax	3567.22	-311.90	-8.04	4438.05	2659.25	2.24

INTEREST RATES

Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
Short sterling	7.37	-0.01	-0.13	7.50	7.25	7.37
UK 10 year gilt	5.75	-0.01	-0.17	5.85	5.60	5.75
US long bond	6.62	-0.01	-0.15	6.75	6.50	6.62

Money Market Rates

Index	3 month	6 month	1 year	1 yr city	10 year	1 yr city	Long bond	1 yr city
UK	7.37	7.37	7.37	7.37	5.75	5.75	6.62	6.62
US	5.75	5.75	5.75	5.75	6.62	6.62	6.62	6.62
Japan	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
Germany	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65

MAIN PRICE CHANGES

Rises	Falls	Price (p)	Chg (p)	% Chg	Falls	Price (p)	Chg (p)	% Chg
Renold Initial		244.75	9.75	4.15	Schroders	1340.00	-215.00	-13.83
Lloyds TSB		735.00	23.50	3.20	Interwest	99.00	10.50	10.71
RMC Group		940.00	30.00	3.20	Cap Radio	451.50	-88.00	-19.27
Rank Group		342.00	10.50	3.17	Costs Visula	107	-13.5	-11.20

CURRENCIES

£/E	DM/£	¥/£
1.00	1.00	1.00
1.00	1.00	1.00
1.00	1.00	1.00

COMPANY RESULTS

Company	Turnover (£)	Pre-tax (£)	EPS	Dividend
Bellway (F)	398m (300m)	50.3m (32.2m)	31.4p (20.0p)	9.2p (8.2p)
Fairchild Group (F)	2.24m (2.07m)	0.35m (1.42m)	0.01p (3.71p)	nil (-)
GR Holdings (F)	4.78m (4.30m)	0.28m (0.28m)	0.5p (1.3p)	-(1)
HIT Entertainment (F)	5.59m (11.0m)	0.57m (0.08m)	3.17p (0.47p)	0.5p (-)
MY Holdings (F)	92.2m (86.8m)	14.3m (12.5m)	7.73p (6.57p)	2.7p (2.4p)
SOCOT (F)	1.09m (1)	0.33m (1)	0.3p (1)	-(1)
Toys & Go (F)	5.30m (4.92m)	-0.15m (-0.08m)	-0.87p (-1.34p)	nil (nil)

(F) - Final (I) - Interim (H) - current fig 7 mths, comparative period 6 mths

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200M-2 XL (Value £100) Included

Order-driven system adds to confusion on roller-coaster day

MARKET REPORT

DEREK PAIN
STOCK
MARKET
REPORTER
OF THE YEAR

One of the wildest days an increasingly volatile stock market has experienced so far this year, the FTSE 100 plunged to a low of 4,579.9 points, yet closed just 85.3 off at 4,755.4.

New York pulled the strings. Its overnight fall produced chaotic conditions in the first hour. Then a firm display during London's afternoon had the market scurrying to recapture lost ground.

The blue-chip index now rests at its lowest for nearly four months. At one time, with Footsie suffering its worst-ever points fall and biggest percentage decline since the crash, there were fears shares were in free fall and this year's stunning gains would be wiped out.

Footsie's frenzied performance created new doubts about the changes in the way the index is calculated following the introduction of order-driven trading.

Some traders maintained the fall would have been even greater under the quote-driven system; even so a 100p spread in Imperial Chemical Industries and often 50p-plus in other blue chips created consternation. So, with Footsie calculated on the last order-driven trade, just how accurate was the red haze which clouded screens soon after the market opened?

In a perverse way Rolls-Royce, a Footsie constituent, illustrated the accident-prone nature of the new system. At one time the shares were up 36.5p as deals, one on the order book, were executed at 255p, hopelessly out of line with the 210p or so then ruling. The price ended at 214.75p, down 3.75p.

However, supporting

shares, still quite traded, were savagely mauled by market-makers. They were marked down dramatically, even if there was not a seller in sight, as the traditional defensive manoeuvres were undertaken.

The FTSE 250 MidCaps index ended 299.2 off at 4,528.4 and the FTSE SmallCaps index lost 105.4 to 2,257.5.

Even when it appeared shares could be in free fall there was little, if any, panic selling. One private client stockbroker said he had encountered only a few sell orders. "Mostly, my clients seemed more interested in identifying the bargains which have been thrown up; unfortunately few chanced their arm before the market rallied".

But many small shareholders did dive in with 92.69p bargains recorded. It was certainly a traders'

market. With shares on a dizzy, unpredictable roller-coaster the professionals were able to duck and dive and could have enjoyed a profitable session.

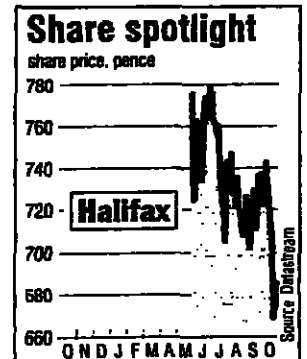
Financials were prominent as blue chips cut their losses on the back of the unexpected firm New York opening.

Lloyds TSB ended 23.5p higher at 735p as stories resur-

facted it planned an overseas sale. There have been suggestions it wants to sell its South American operations and it was said talks had opened up with a possible US buyer.

National Westminster Bank was another caught in the rumour mill. Tales abounded its securities arm would be sold next week with Deutsche Morgan Grenfell and an American group said to be the front-runners. The feeling is NatWest will retain a minority stake. The shares ended 20p lower at 920p on worries the bank may have suffered derivative losses in the mayhem. Barclays, down 36p at 1,500p, was another casualty.

Halifax has been one of the hardest hit. The building society-cum-bank has slumped from a 778p high as former members have become increasingly worried, produc-



TAKING STOCK

Azlan, the troubled computer group suspended at 555p in June, closed at 69.5p. The nil-paid rescue rights, being sold at 37p, ended at 31p. The trading had been called when the group warned of accounting problems. Sentiment was hit earlier when a £48.5m rights issue flopped with only 1 per cent of the shares on offer taken up.

Freepages, the upstart directory rival to Yellow Pages, has attracted the attention of VNU, the Dutch publishing giant. It has acquired 22 million shares providing a 4.47 per cent stake. The shares closed 1.5p lower at 36p.

Zetters, the bingo and pools group, was untouched by the share slide, firming to 123p. There is talk the signalled corporate action – a bid or assets injection – is near.

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Alcoholic Beverages								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Banks, Merchant								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Banks, Retail								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Breweries Pubs & Rest								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Electricity								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Electronics								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Building/Construction								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Building Materials								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Chemicals								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Engineering Vehicles								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

52 week	High	Low	Stock	Price	Chg	Yld	PER	Code
Food Producers								
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00
40000	10.00	9.50	10.00	9.50	-0.50	4.0	10.00	10.00

Foreign Exchange Rates

Country	Starting	1 month	3 month	Dollar Spot	1 month	3 month	D-M-Spread
UK	10000	23860	23816	1.5870	1.5878	1.5893	0.0344
Australia	23860	20362	20303	1.4623	1.4633	1.4643	0.0020
Belgium	23860	55266	55266	1.4623	1.4633	1.4643	0.0020
Canada	23860	55266	55266	1.4623	1.4633	1.4643	0.0020
Denmark	10449	14706	14706	1.4623	1.4633	1.4643	0.0020
France	88002	88002	88002	1.4623	1.4633	1.4643	0.0020
Germany	45121	46148	46148	1.4623	1.4633	1.4643	0.0020
Greece	22507	22507	22507	1.4623	1.4633	1.4643	0.0020
Hong Kong	12651	12651	12651	1.4623	1.4633	1.4643	0.0020
Ireland	22507	22507	22507	1.4623	1.4633	1.4643	0.0020
Italy	22507	22507	22507	1.4623	1.4633	1.4643	0.0020
Japan	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Malaysia	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Mexico	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Netherlands	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
New Zealand	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Norway	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Portugal	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Saudi Arabia	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Singapore	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
South Africa	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Spain	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Sweden	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Switzerland	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Taiwan	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Thailand	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
Turkey	20092	20092	20092	1.4623	1.4633	1.4643	0.0020
USA	10000	10000	10000	1.4623	1.4633	1.4643	0.0020

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	16749	1014	Oman	16749	33850
Brazil	16749	33850	Pakistan	16749	44069
Canada	16749	33850	Philippines	16749	33850
Czech Rep	55591	33850	Poland	16749	33850
Egypt	55591	33850	Romania	16749	33850
Ghana	55591	33850	Russia	16749	33850
India	55591	33850	Saudi Arabia	16749	33850
Indonesia	55591	33850	South Africa	16749	33850
Israel	55591	33850	Spain	16749	33850
Italy	55591	33850	Sweden	16749	33850
Japan	55591	33850	Switzerland	16749	33850
Malaysia	55591	33850	Taiwan	16749	33850
Mexico	55591	33850	Thailand	16749	33850
Netherlands	55591	33850	Turkey	16749	33850
Norway	55591	33850	USA	16749	33850
Portugal	55591	33850			
Saudi Arabia	55591	33850			
Singapore	55591	33850			
South Africa	55591	33850			
Spain	55591	33850			
Sweden	55591	33850			
Switzerland	55591	33850			
Taiwan	55591	33850			
Thailand	55591	33850			
Turkey	55591	33850			
USA	55591	33850			

Interest Rates

Country	Base	Discount	Prime	US	Discount	Prime	US
UK	700%	Discount	2.50%	US	5.00%	Discount	5.00%
Belgium	3.30%	Discount	4.50%	France	5.50%	Discount	5.50%
Canada	3.30%	Discount	4.50%	Germany	5.50%	Discount	5.50%
Denmark	3.30%	Discount	4.50%	Italy	5.50%	Discount	5.50%
France	3.30%	Discount	4.50%	Japan	5.50%	Discount	5.50%
Germany	3.30%	Discount	4.50%	Netherlands	5.50%	Discount	5.50%
Italy	3.30%	Discount	4.50%	Portugal	5.50%	Discount	5.50%
Japan	3.30%	Discount	4.50%	Saudi Arabia	5.50%	Discount	5.50%
Netherlands	3.30%	Discount	4.50%	Singapore	5.50%	Discount	5.50%
Portugal	3.30%	Discount	4.50%	South Africa	5.50%	Discount	5.50%
Saudi Arabia	3.30%	Discount	4.50%	Spain	5.50%	Discount	5.50%
Singapore	3.30%	Discount	4.50%	Sweden	5.50%	Discount	5.50%
South Africa	3.30%	Discount	4.50%	Switzerland	5.50%	Discount	5.50%
Spain	3.30%	Discount	4.50%	Taiwan	5.50%	Discount	5.50%
Sweden	3.30%	Discount	4.50%	Thailand	5.50%	Discount	5.50%
Switzerland	3.30%	Discount	4.50%	Turkey	5.50%	Discount	5.50%
Taiwan	3.30%	Discount	4.50%	USA	5.50%	Discount	5.50%
Thailand	3.30%	Discount	4.50%				
Turkey	3.30%	Discount	4.50%				
USA	3.30%	Discount	4.50%				

Bond Yields

Country	3mth	chng	1 yr	chng	2 yr	chng	5 yr	chng	10 yr	chng
Australia	4.95	0.00	4.93	0.00	4.28	0.04	5.39	0.00	5.86	-0.05
Belgium	3.93	0.00	4.03	0.00	4.41	0.00	5.01	0.00	5.75	-0.05
Canada	5.97	0.02	4.00	0.07	4.41	-0.06	5.26	0.05	5.91	-0.04
ECU	4.54	-0.02	4.77	-0.03	4.33	-0.09	5.02	-0.03	5.65	-0.05
France	6.00	-0.03	4.07	-0.10	4.30	-0.02	5.79	0.00	6.30	-0.02
Germany	5.89	-0.03	4.07	-0.02	4.63	0.02	5.62	0.02	6.12	-0.04
Italy	5.93	-0.16	5.79	-0.02	0.01	0.01	5.02	0.07	5.62	-0.03
Japan	3.89	-0.05	4.04	-0.09	4.30	-0.10	5.36	-0.02	6.02	-0.03
Netherlands	3.82	-0.05	4.04	-0.09	4.30	-0.10	5.36	-0.02	6.02	-0.03
Spain	4.95	-0.02	4.22	-0.04	4.94	-0.12	5.86	-0.10	6.58	-0.03
Sweden	4.93	-0.06	4.83	-0.11	5.04	-0.12	5.86	-0.10	6.58	-0.03
Switzerland	5.85	0.00	7.54	-0.03	6.86	0.05	6.83	-0.03	6.81	-0.01
US	6.00	0.01	5.08	0.27	5.10	0.17	5.86	0.15	5.93	0.13

Money Market Rates

	Overnight	1 week	1 month	3 months	6 months	1 year
Treasury Bills			6.65	6.65	6.65	6.65
LIBOR			7.76	7.22	7.25	7.34
Domestic Deposits	7.33	7.25	7.26	7.28	7.31	7.44
Banking Deposits	7.33	7.25	7.26	7.28	7.31	7.44
Commercial Deposits	7.33	7.25	7.26	7.28	7.31	7.44
Swapping CDs	5.57	5.70	5.70	5.70	5.70	5.70
ECU Deposits	4.25	4.36	4.41	4.53	4.58	4.63

Life Financial Futures

Contract	Settlement	High	Low	Open	Interest
Long Gilt	Dec-97	1817	1817	1817	177.54
Long Gilt	Dec-97	1817	1817	1817	177.54
US Long Bond	Dec-97	110.3	110.3	110.3	110.3
Japan Govt Bond	Dec-97	130.40	130.40	130.40	130.40
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
3 Mth Euribor	Dec-97	82.63	82.63	82.63	82.63
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Aussies have their own Royal party

Arabian Story and Harbour Dues, England's challengers in the Melbourne Cup next Tuesday, completed their 14-day quarantine in Australia yesterday. They emerged to great infection, reports Richard Edmondson

It does not take much to make the indigenous brethren of Australia organise a party; they would throw a prawn on the barbie to celebrate the opening of an envelope. But Cup week is something else, and the Victorians have gone particularly far over the 137th running of the Melbourne Cup as aristocrats (and better) are involved from the mother country.

Arabian Story and Harbour Dues are trained by Lord Hutton and Lady Herries respectively and the former is owned by a woman most of us know as The Queen. As the

street parties and picnics are arranged around the showers of an Australian spring for the next week or so, the names of the noble visitors will be invoked. And they will want to see them off. They may be high-class Poms, but they are still Poms. Updates on the Cup Carnival have consequently moved to the front of Antipodean newspapers, much of the enthusiasm the promotion of Les Benton, the general manager of the Victoria Racing Club. When it comes to banging a gong, Sir Les is in the Rank movie class. Trumpeting the "race that stops the nation" is virtually a 12-month assignment, a segment of which Les spends in Europe. Like Burke and Wills in reverse (although Les at least manages to survive his journeys), Benton travels between Australia and western Europe in an effort to seek out the natives and educate them about the pleasures of his

homeland. If you listen to his letter from Melbourne you can imagine there are still plenty of nuggets lying around the place from the mid-19th century gold rush. Benton thinks The Queen having a runner in the sacred race by the banks of the Maribyrnong river is of some interest. "This is probably one of the biggest racing stories in Australian history," he said yesterday. "The Melbourne Cup has become internationally recognised and you cannot get more prestigious than The Queen having a runner. There have been stories, photographs and an incredible build-up, and the rest of this week is going to be enormous." "Both Arabian Story and Harbour Dues have done exceptionally well since arriving in Australia. They look fantastic and they're really doing well. I don't believe the field is as

strong this year as it has been in previous years and if the trip hasn't taken too much out of the English horses - and it doesn't appear to have - I give them a very good chance. Many have had chances before, but the only animal to convert his from the northern hemisphere was Vintage Crop in 1993. Others have tried every year since (mainly through Benton's tawling of possible runners), but nothing has been close to success. "People said to me in 1993 that this would never work with the Europeans, but the mountain has been climbed once and I'm hoping it will be done so again," he said. "There's no reason at all for thinking Vintage Crop is going to be unique, that he's going to be the only overseas raider to win the race." "Sir Edmund Hillary climbed Everest in 1953 and it's been climbed 256 times since.

There have been 1,056 attempts and 112 fatalities, but I don't suppose I should talk about them." The cruel and dismissive rubbish the Melbourne Cup as a long-distance handicap for slow horses, but then much the same description could be applied about the most popular race in the British Isles. The big one at Flemington, just like the Grand National, shows just what you can achieve with thorough exposure as much as the actual event itself. The big VRC need now is the big names to turn up on the day. Frankie Dettori, Arabian Story's partner, has already been snapped up for six rides on Cup afternoon, but there have been no bookings for a private Royal party in the restaurant. "Nobody's been in touch, mate," Benton said. If the situation remains thus he'll probably be on to Buckingham Palace himself.



Frankie Dettori in the saddle on Arabian Story

Punters must pay the price for sale of Heritage

Heritage, a heavily backed favourite for the November Handicap, was sold yesterday and will miss the race.

The colt, trained by John Gosden to win two races this season, came under the hammer at the Tattersalls Sales in

Newmarket and fetched 120,000 guineas. He was bought for an undisclosed Irish owner and will be joining an Irish trainer for a jumping campaign. The new connections hope the winner of the King George V Handicap

at Royal Ascot in June will be capable of tackling prestige events such as the Triumph Hurdle at Cheltenham. Irish bloodstock agent Bob O'Riordan, who handled the deal, said: "We're delighted to get the horse, but he was

bought to go jumping and won't be running in the November Handicap. Heritage was the 7-1 favourite with the Toté for the last major race of the Flat campaign at Doncaster a week Saturday.

RESULTS

CHELTEMHAM
1.40: 1. IRISAL (A P McCoy) 1-2 fav. 2. Southern Chief 16-1. 3. Prairie Minister 7-1. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 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McCarthy happy with his history of good finishing

The Republic of Ireland play Belgium in Dublin today in the first leg of a play-off to qualify for next year's World Cup finals. Glenn Moore talks to the Republic's manager, Mick McCarthy, whose reign of contrasting fortunes is mirroring that of his international playing career.

When Mick McCarthy first became a regular in the Republic of Ireland team, many supporters and critics were unhappy. Not only was McCarthy English, but he was also keeping the popular and cultured David O'Leary out of the team. A dozen years and 57 caps later, 40,000 filled Lansdowne Road for a testimonial match

to recognise McCarthy's contribution to Irish football.

A similar pattern is emerging in his managerial career. A grim start – five defeats and two draws – reached its nadir when two players and McCarthy were given red cards in a match with Mexico. McCarthy's dismissal was overturned on appeal but, coming on top of a contested appointment – the president of the Football Association of Ireland, Louis Kilcoyne, was removed after publicly stating McCarthy was not his preferred choice – that record provoked growing discontent.

Three successive victories briefly quelled the doubts, only for them to be revived after home draws against Iceland and Lithuania, and a tempestuous defeat in Macedonia jeopardised Ireland's chances of even coming second in Group Eight.

Yet McCarthy, renowned as a positive thinker, never appeared to waver while the FAI, now behind its man, backed him by extending his contract to the 2000 European Championship.

McCarthy himself was able to draw on his experiences as a player with Barnsley, Manchester City, Celtic and Olympique Lyonnais – and especially as a manager at Millwall. After two good seasons he had a grim period there in early 1994, with two wins in the opening 17 games and criticism which has clearly left a mark.

"You learn through adversity like that," he said when I dragged him away from his stack of Belgium videos to talk. "You learn about yourself and who your friends are. Who calls up and says 'chin up, big man, you'll come through this', and the ones who stay away. Some say 'I didn't call then be-

cause...' Some don't say anything at all."

McCarthy felt that not enough people considered the quality of the opposition – five Euro '96 qualifiers – and the changes he was making when they considered his start, but he accepts that "people do look at results". Victories in Iceland and Lithuania ultimately just-

fied his and his employers' faith, and only Belgium now stand between Ireland and a third successive World Cup. All this has been achieved with a transitional team which has been cruelly disrupted by injuries. Phil Babb, Steve Staunton, Alan Kelly and, currently, Niall Quinlan, Roy Keane and Keith O'Neill have been among those injured. Other players have been affected by the vagaries of club selection.

Not that he is complaining. He can be pushed into admitting: "Aspects of the job can be frustrating," but he quickly adds, "but that applies to managing Millwall or anyone. It is a great job. Managing, along with coaching, is the next best thing to playing."

"I've not been surprised by the job. It was obviously difficult to take over from Jack [Charlton] but I think people

quickly realised I was not like him. If I'd tried to do it like him it would have been impossible. The only aspect that has been a surprise is the profile. I've been an international footballer but this is different. As a manager you are not actually on your own but you are in the sense that the spotlight is on you alone."

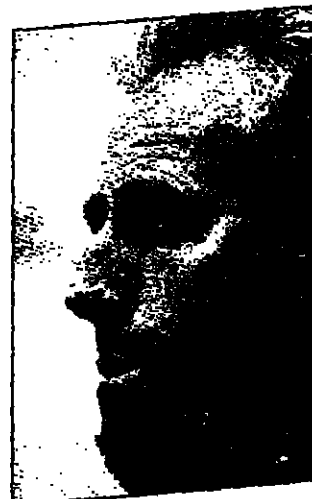
In 19 matches McCarthy has chosen 38 players and never sent out an unchanged side. There have been 15 new caps with such players as Given, Kenny Cunningham, Ian Harte, David Connolly, Gary Breen and O'Neill establishing themselves in the squad.

He has also overhauled the playing style, introducing a passing game after Charlton's controversial direct approach. "There's two reasons. We have different philosophies on football and the game

itself has moved on. I've seen Jack quoted saying that he thinks the system he developed had been a little bit sussed by the end. The back-pass rule affected us as a lot of our attacks started from the goalkeepers hands with us pushing up and pressing them.

"Our style was very demanding, especially in the heat as I found in '88 [European Championship in Germany] and '90 [World Cup in Italy]. You need young legs, and willing ones – Roy Houghton still runs as well as anyone. A lot of players had come to the end of that system."

Jeff Keane, the Blackburn defender capped six times by Charlton and 14 by McCarthy, agreed: "The top countries keep the ball and if your game is based on closing them down, banging the ball forward and chasing when you eventually get



McCarthy: "The spotlight is on you alone"

the ball you are too tired to do anything with it.

"Mick believes the way forward is through possession. He's trying to get the team to get the ball down and pass through midfield rather than just going straight from back to front. Under Jack the team had grown senior together. Mick has had to find new players."

The first matches of the eagerly awaited World Cup play-offs take place today. Defeat for Italy would deprive the contest of one of its giants. But for Russia, as Phil Reeves in Moscow finds out, losing would be another setback in a struggle to shrug off a cloak of crime that is engulfing its sporting world.

Only a fool would want to revive those mean stereotypes about the Italians being cowards. True, they have brought their own food to Moscow – including pasta, parmesan cheese and olive oil – but who can blame them for distrusting the globules of fat and evil-smelling pickles that so often pass for Russian cuisine?

And, true, their coach has been complaining about the possibility of a bad pitch, but that's just weigh-in rhetoric, the caution of a man whose job is on the line and who can imagine the wrath of 60 million Italians only too well.

What is far more striking is the overriding mood of gloom and suspicion surrounding this match. Any sense of excitement about a game that will go a long way towards deciding the fate of two of the world's great football nations is entirely absent. Hype has given way to hypochondria.

The Russians are the main offenders. The Eeyores of the planet, they are approaching the match with superstitious pessimism. Humiliated by draws with Cyprus and Israel, they have taken to full-scale mourning about the general state of their football. "The prestige of our game is as low as it can be," moaned Alexei Zavgorodny of the newspaper *Sovetski Sport*, after trotting out the standard complaint that too many stars play abroad (The squad of 21 includes players from nine foreign teams and only seven Russian ones). It particularly bothers them that this parlous state of affairs coincides with the 100th anniversary of Russian football, an event which hardly seems worth celebrating, given that the game was introduced by the British who established their own clubs, but strongly discouraged Russians from joining them.

Discouraged, the Russians



The Italian squad, wrapped up against the Moscow cold, train for tonight's World Cup play-offs as military cadets clearing snow from the terraces look on

Photograph: AP

Moscow gripped by a mood of foreboding

have turned to their other favourite pastime: conjuring up conspiracy theories to explain away possible defeat. They say that the World Cup organisers really want Italy to make it to the finals, a remark that is followed by a meaningful silence which says that somehow, somewhere, someone is going to fix it.

"What worries us is whether the refereeing will be objective," lamented the weekly newspaper, *Argumenty i fakty*. "Or will there be some tricks, as happened previously? The world press has frequently hinted that the World Cup will not be entertaining enough without the Italians... From the

financial point of view, Italy would be much more profitable for France than Russia. So we are worried for our guys. They should be extremely careful and try not to bring anyone down in the penalty area."

To outsiders – and despite England's own scandals over allegations of back-handers and match rigging – such views seem unduly neurotic, the hand-wringing of a nation which is determined to feel unloved. But in Russia, the sporting world is infused with a deep mood of distrust, and with reason. Conspiracies actually happen.

In June, Larisa Nechayeva, the head of finance at Spartak

Moscow, was gunned down in what is believed to be Russian football's first contract murder. Two months earlier Valentin Sych, the head of the Russian [Ice] Hockey Federation died in a hail of automatic rifle bullets. He had publicly warned that players and officials were coming under increasing pressure from mobsters seeking a cut of the growing sponsorship income and the huge sums that Russian teams had been raking from the US for the rights to their stars.

"Criminals try to approach people in different ways," says Mr Rodionov, of the Russian football union. "They make some very tempting offers,

partly to launder their criminal earnings and partly to make contacts with local authorities, like governors, directors of big enterprises, by pushing their people into the football clubs and associations. We try to avoid such contacts because it will bring a lot of trouble."

The genesis of much of the rot comes from the Russian government itself. After the collapse of the Soviet Union, it could no longer afford to fund sport. Boris Yeltsin's administration sought to fill the gap by granting some sporting organisations the right to import alcohol and cigarettes tax-free. The instant, massive profits (now stopped) immediately

attracted organised crime, which been active in sport ever since.

Going to France would not rid Russia of this cancer, but it might help, if only by reminding the government of the value of keeping its sports above board, if only to ease its path to the world stage.

More the pity, then, that the Russians are already casting themselves as underdogs which not only feel picked on by the outside world, but which are strangely determined to throw away the advantages of playing at home.

There has been confusion over ticket sales, which was supposed to have begun at the

weekend, but only opened on Monday. Calls to the ground last week were answered by a caretaker. And the match is being played in the wrong place. The Russians had hoped it would be in Moscow's 82,000-seat Luzhniki stadium, which has just had a £115m facelift. But the pitch fell apart during heavy rain during Russia's game against Bulgaria two weeks ago. The new venue will be at Dinamo's ground, which has about two-thirds the capacity.

This is, of course, a cock-up. But you can rest assured that the Russian fans who brave the winter's first fall of snow tonight will call it a conspiracy. Unless, of course, they win.

Depleted Croatia seek inspiration

Croatia may be without two of their best players – the striker Alen Boksic and the midfielder Robert Prosinecki – for today's first leg of their World Cup play-off against Ukraine.

Boksic injured his left leg playing for Lazio, while Prosinecki of Croatia Zagreb has a knee injury. "I think both are almost certain not to play," Croatia's assistant coach, Branko Ivankovic, said. "I don't know what it would take to enable Boksic to play."

Croatia rarely impressed during the qualification phase of the tournament in which they finished second behind Denmark in Group One. Their coach, Miroslav Blazevic, who not name his line-up until nearer kick-off time but he implied his team may contain some surprises. "You may be shocked when you see the formation I will send out," he said.

The Ukraine coach Jozsef Szabo bolstered his defence with a handful of late call-ups this week to suggest he will opt for caution. The arrival of the Dinamo Kiev defenders Alexander Holovko and Andrei Gusin, both of whom were involved in last week's European Champions' League thrashing of Barcelona, raises the possibility of Szabo fielding a side entirely drawn from that club. Dinamo now have 11 representatives in the 23-man squad.

Sergei Rebrov may be asked to play a lone role up front in the absence of his suspended Dinamo strike partner, Andrei Shevchenko.

Hungary are hoping that strong teamwork will be enough for them to overcome Yugoslavia today. "I heard that everyone in the play-offs wanted to play against Hungary," their defender János Banfi said. "But I think that after what we produced in the group stage we can still qualify."

Banfi is one of three key Hungarians, along with the striker Laszlo Klausz and the midfielder Florian Urban, who return to the squad after missing the final qualifier with Finland. Hungary drew in Helsinki when a freak last-minute Finnish own goal earned them the point they needed to make the play-off stage.

FA to investigate Hartson's comments about referee

The Football Association is to investigate comments made by the West Ham striker John Hartson towards the referee Mike Reed during Monday's Premiership game with Leicester City at Filbert Street.

The FA will have to decide whether to take any action against the Welsh international, who criticised the referee's handling of the game, which Leicester won 2-1 with a late goal from Ian Marshall.

Hartson called the official "a disgrace" and claimed that every decision seemed to go Leicester's way.

"I thought he was an absolute joke and his performance deserved to be marked nought out of 10," Hartson said. "We played well and were just robbed by the referee. He's a

homer. We knew he was going to be hard because he was under pressure with the fans."

Hartson was referring to the anger felt by Leicester supporters over the controversial last-minute penalty Reed awarded to Chelsea against Martin O'Neill's side in their FA Cup fifth-round match at Stamford Bridge in February.

Hartson said: "I don't know whether he was trying to get back on their side – but he's sent me off in the past because I called him a shithouse and perhaps I'll stick to my guns."

The former Arsenal striker, whose 12 goals for the Hammers this season have put him at the top of the leading scorers list, may face a disreputable charge and if he is found guilty, could receive a suspension or fine.

Ince's plea to shirty West Ham fans

Paul Ince has made a heartfelt plea to West Ham fans to end their eight-year hate campaign against him. The Liverpool and England captain wants to bury the hatchet for posing in a Manchester United shirt while he was still a Hammers player in 1989.

Ince moved to Old Trafford soon afterwards and helped United win the title in 1993 for the first time in 26 years. But West Ham fans refused to forgive the Ilford-born midfielder and, although Ince missed his first scheduled return to Upton Park through injury, he received a torrent of abuse when he made his long-awaited return to the East End in February 1994.

"I wish I could turn back the clock," he said, speaking in the November issue of *Hammers*

News. "I definitely would not have done it. I am not stupid. I am nearly 30 years old and a lot wiser for that experience. I can understand the fans' reaction because it wasn't a nice thing for me to do."

Arie Haan, the coach of Feyenoord, Manchester United's opponents in the Champions' League next week, was sacked yesterday following a string of bad results.

Haan will be replaced temporarily by the assistant coach, Geert Meijer. There was no immediate word on a permanent replacement.

"It is sad that I have had to take this decision in the interests of Feyenoord," the club chairman, Jorien van den Herik, said in a press release. "The disappointing results were the final straw."

Haan, a former Dutch international player, had been in charge of Feyenoord since October 1995. He took the team to second place in the Dutch league last season behind PSV Eindhoven, and this term guided his players into the Champions' League.

However, a spate of losses and morale problems in the team led to pressure on Haan to quit. Feyenoord stand fifth in the Dutch league, with six wins from 11 matches and 13 points adrift of the leaders, Ajax.

A 5-1 defeat by Juventus in the Champions' League in September was followed by recent losses to the lowly Dutch team Willem II Tilburg, Manchester United in the Champions' League, and a 4-0 defeat at Ajax on Sunday.

"There was a gulf between us and it was made obvious here," Haan said following that defeat. "That is very painful."

The Scotland manager, Craig Brown, has welcomed a substantial Lottery award aimed at creating a winning double next year. Brown, who has already guided his country to France '98, hopes the funding can provide a boost to Scotland's Under-16 squad next spring.

The Lottery Sports Fund has awarded the Scottish Football Association £55,833 ahead of the UEFA Under-16 Championship, to be held in Scotland. The money will be used to fund the Scottish squad's preparations for the competition including coaching, transport, training and facilities. – Phil Collins

Brolin's troubled stay at Leeds ends with financial settlement

Tomas Brolin's two-year spell at Leeds United has finally ended in a financial settlement.

Brolin's contract – due to expire next summer – has been terminated with immediate effect, leaving him free to negotiate his own transfer. The settlement figure is believed to be around £140,000, helping Leeds save up to £700,000 in wages on the remainder of his contract.

Liverpool have granted Mark Kennedy's transfer request. Kennedy, 21, became the most expensive teenager in British transfer history when he left Millwall for Anfield for £2m in 1995, but has failed to make an impression in the first team. Bolton's Gerry Taggart will miss his club's next six matches after falling foul of the FA's new disciplinary system.

Taggart received the double ban because the new disciplinary points system allocates a yellow card for his dismissal against West Ham on 18 October, even though he was sent off for only one offence. That took his yellow total for the season to five, carrying an automatic three-match suspension to add to the same penalty for the sending-off. Meanwhile, Steve Bull has won his appeal against a red card for alleged violent conduct when Swindon visited Molineux 10 days ago. The dismissal has been changed to a caution.

The Nottingham Forest goalkeeper, Dave Beasant, has had the first red card of his career rescinded after the referee John Brandwood saw a video of his challenge on Reading's Martin Williams on Friday.

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